

# **Executive Summary FY 2002 Adopted Budget**

## **OVERVIEW & PROCESS**

**The Adopted Budget for FY 2002 addresses the budget priorities of the City Council as expressed at the recent Goals and Objectives Worksession, eliminates a projected General Fund shortfall, and requires no increase in the overall property tax rate for the ninth consecutive year while decreasing the rate to 57.854 cents per \$100 valuation. The Adopted Budget includes improvements that continue to implement the Police Staffing Plan and the Fire Master Plan, while providing for a comprehensive code enforcement and brush collection system. For the first time since FY 1993, a new Brush Collection Fee of \$1.20 per month is added to the overall monthly solid waste fee to recover the nearly twofold increase in added annual brush collection costs that has occurred over the last eight years.**

Staff began the budget process early in the year with preparation of the Five-Year Financial Forecast. The Forecast is a financial and budgetary planning tool that identifies emerging issues that will be encountered in the next five years and that will have a fiscal impact upon the City's program of services. In addition, the Forecast serves as a foundation for development of the Adopted Budget by projecting revenues and anticipated expenditures under a defined set of assumptions. The Forecast allows the City Council and staff to identify financial issues in sufficient time to develop a proactive strategy in order to meet emerging strategic issues.

The Forecast, which was presented to the City Council on June 14, 2001, assumed modest growth in current revenues and expenditures. The Forecast for FY 2002 was based upon the continuation of existing services at the FY 2001 level with adjustments for inflation, increased vehicle fuel expenses, rising employee health insurance costs, and mandates. The Forecast projected a General Fund ending balance of \$18.16 million in FY 2001. The five-year General Fund projection showed shortfalls for FY 2002 (\$19.8 million), FY 2003 (\$18.6 million), and FY 2004 (\$522,000) followed by two years of positive fund balances. While the forecast assumed added wage increase-related costs from the last year of the Police collective bargaining agreement, it did not assume subsequent added costs from any successor Police agreements.

Following the presentation of the Five-Year Financial Forecast, the City Council held the Goals and Objectives Worksession on June 22. This year was the twelfth consecutive year in which the City Council met to determine its priorities for the coming budget deliberations. Under the leadership of the Mayor, participation in this year's worksessions once again included City Council members, policy advisors from each respective Council district, advisors from key sectors of the community and City department heads. The worksession participants focused on establishing FY 2002 Budget Priorities through a multi-step process using as reference the 107 Strategic Issues identified in the Five-Year Financial Forecast.

First, the worksession participants developed an overall agenda of priority actions to be undertaken within the two-year term of the new Council (June 2001 through May 2003). Secondly, the two-year agenda was narrowed down to a first year agenda of actions (June 2001 through May 2002). Third, the Councilmembers, citizen advisors and staff working together examined the first year agenda list to produce a set of proposed FY 2002 Budget Priorities. Finally, using the proposed FY 2002 Budget Priorities developed by all the participants as a basis, the Council, by consensus, finalized the selection of a list of ten FY 2002 Budget Priorities. A follow-up budget priorities meeting with the Council was held on July 12 that gave the opportunity for Councilmembers to clarify with the City Manager the ten budget priorities that came from the June 22 worksession. The City staff, in turn, used the Council's guidance from the June 22 and July 12 meetings as the basis for formulating the recommended service level

enhancements that were contained in the Proposed Budget for FY 2002. A listing of the Council's FY 2002 Budget Priorities, cross-referenced to the Five-Year Financial Forecast Strategic Issues, is provided immediately preceding this Executive Summary.

Continuing to recognize the need to effectively communicate the City's ability to address City Council priorities and demonstrate the organization's ability to meet the needs of the community, the Proposed Budget document reflected updated program information, goals and objectives and performance measures for each department. Department directors met with the Management Team in April and May to review the departments' goals and objectives for the upcoming fiscal year. During these meetings, staff presented existing and proposed performance indicators which would help them track the City's progress in the efficient and effective delivery of services to citizens and achieve their stated goals and objectives. The performance indicators are divided into four categories which track the following: the demand for service (Input), the workload produced (Output), the management of resources (Efficiency), and the quality of the work performed (Effectiveness). These categories are also designed to demonstrate and validate the impact of improvements to service delivery.

The FY 2002 Proposed Budget was developed within the context of revised projected funds available and the City Council FY 2002 Budget Priorities. Departments were given target budgets based on current service requirements and allowed to submit expenditure proposals within the target amount. The target budgets submitted represent the departments' best judgment on how resources should be allocated based on their experience on the most effective method for delivering services. In view of the \$19.8 million shortfall projected by the Forecast for FY 2002, each department was specifically asked to prepare proposals for the redirection of resources and/or suggested program reductions equivalent to 3% of each department's FY 2001 Adopted Budget. In June and July, the City Manager and the Management Team met with each department director to review the department's estimated commitments for FY 2001, FY 2002 base budgets, resource redirections, program reductions, proposed program improvements, projected mandates, revenue enhancements, and performance measures based on the City Council FY 2002 Budget Priorities.

After receipt of the Proposed Budget, the City Council held a series of worksessions to review the proposed service program details. The Budget Worksessions included a review of revenues and presentations by departments that included a description of the significant policy issues. After considering all the recommendations and receiving input from citizens at three public hearings, City Council amended the budget by balancing program revenues and expenditures to make the proposed service plan more closely track the Council priority objectives. The specific adjustments to the General Fund, the Alamodome Fund, the Hotel/Motel Fund and the Capital Budget are detailed on the schedules provided below.

## Amendments to the Proposed General Fund Budget

### Added Amendments

<b>City Council Budget Priority</b>	<b>Description</b>	<b>Amount</b>
Existing Infrastructure	Increase the Neighborhood Accessibility and Mobility Program (NAMP) from \$175,000 to \$200,000 per Council District	\$250,000
Economic Development *	Brooks City-Base strategic planning and marketing	200,000
Human Development	City Council Human Development Services Fund (Increase to \$70,000 per district)	400,000
Human Development	Senior Nutrition Program	542,094
Human Development *	Contribution to Brooks Challenger Program	50,000
Human Development *	Challenge Contribution to Respite Care	30,000
Human Development *	Challenge Contribution to Project MEND	15,000
Customer Service	Bring General Fund employees in the "temporary" classification to the \$8.50 per hour living wage	430,600
Other Improvements	Increase City Council District Contingency Fund from \$15,000 to \$20,000 per district	55,000
Other	Decrease the Property Tax Rate by 1/8 cent	483,082
Other	Reverse proposed establishment of a Coin-Operated Amusement Violation Administrative Fee	7,200
<b>Total Added Amendments</b>		<b>\$2,462,976</b>

\* One-Time Expenditures

### Supporting Sources

<b>Department/Source</b>	<b>Description</b>	<b>Amount</b>
Municipal Elections	Reduce budget to realize savings in November 2001 election	\$308,000
Delegate Agencies	Adjust contribution increase to Project Quest	450,000
Other	Reduce General Fund Fund Balance	19,000
Other	Maintain Reserve for Revenue Loss at Current Level	500,000
Capital Improvements	Reduce funding for FY 2002 Facilities & Improvement	820,399
Reserve Fund	Maintenance Program (FIMP)	
Parks Development & Expansion Fund	Charge off expense for five Proposition 3 – related positions to Proposition 3 authorized funds	365,577
<b>Total Supporting Sources</b>		<b>\$2,462,976</b>

## Amendments to the Proposed Alamodome Fund Budget

### Added Amendments

<b>City Council Budget Priority</b>	<b>Description</b>	<b>Amount</b>
Customer Service	Bring Alamodome Fund employees in the "temporary" classification to the \$8.50 per hour living wage	\$253,367
<b>Total Added Amendments</b>		<b>\$253,367</b>

### Supporting Sources

<b>Department/Source</b>	<b>Description</b>	<b>Amount</b>
Alamodome Fund Fund Balance	Reduce Fund Balance	\$253,367
<b>Total Supporting Sources</b>		<b>\$253,367</b>

## Amendments to the Proposed Hotel/Motel Fund Budget

### Added Amendments

<b>City Council Budget Priority</b>	<b>Description</b>	<b>Amount</b>
Other Improvements	One-Time Contribution to Sports Foundation for Pan Am Games	\$250,000
<b>Total Added Amendments</b>		<b>\$250,000</b>

### Supporting Sources

<b>Department/Source</b>	<b>Description</b>	<b>Amount</b>
Hotel/Motel I&C Fund	Reduce Fund Balance	\$250,000
<b>Total Supporting Sources</b>		<b>\$250,000</b>

## Amendments to the Proposed Capital Budget

### Added Amendments

<b>City Council Budget Priority</b>	<b>Description</b>	<b>Amount</b>
Existing Infrastructure	Add Pearsall Road Landfill Park Development Project	\$320,000
<b>Total Added Amendments</b>		<b>\$320,000</b>

### Supporting Sources

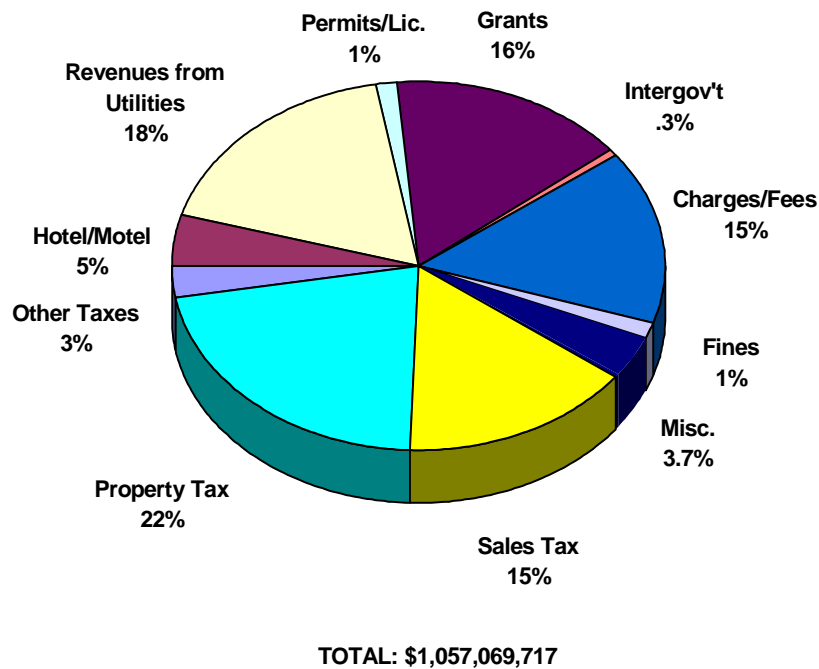
<b>Department/Source</b>	<b>Description</b>	<b>Amount</b>
Certificates of Obligation	Reduce Navajo Area Street Project from \$3.081 Million to \$2.761 Million	\$320,000
<b>Total Supporting Sources</b>		<b>\$320,000</b>

The Adopted Budget for FY 2002 represents a program of revenues and expenditures which provide the highest level of service possible within available resources. Overall, adopted expenditures have been closely examined to ensure the most efficient use of resources and to identify opportunities for improving the effectiveness of service delivery. The Adopted Budget puts forward a balanced budget which eliminates the projected shortfall, utilizes available resources, and provides for enhanced service delivery in accordance with City Council priorities.

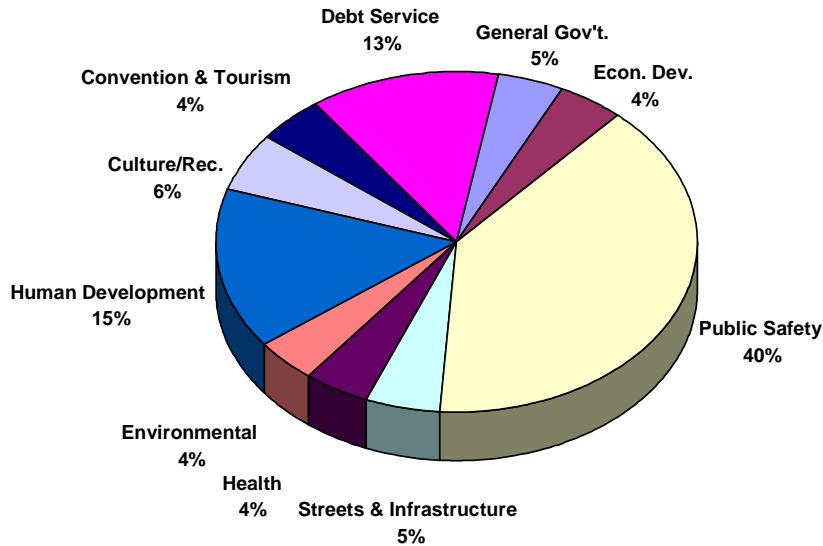
### FY 2002 ALL FUNDS ADOPTED BUDGET SUMMARY

The FY 2002 Adopted Budget appropriation for **all funds is \$1.377 billion**, excluding transfers of **\$163.7 million**. This amount includes **total operating expenses of \$1.057 billion** and **\$319.8 million in capital expenditures**. The following charts show operating appropriations and revenues for all funds for FY 2002.

FY 2002 ADOPTED CONSOLIDATED OPERATING BUDGET SOURCE OF CURRENT REVENUES



**FY 2002 ADOPTED CONSOLIDATED OPERATING  
BUDGET USE OF FUNDS**



**TOTAL: \$1,057,069,717**

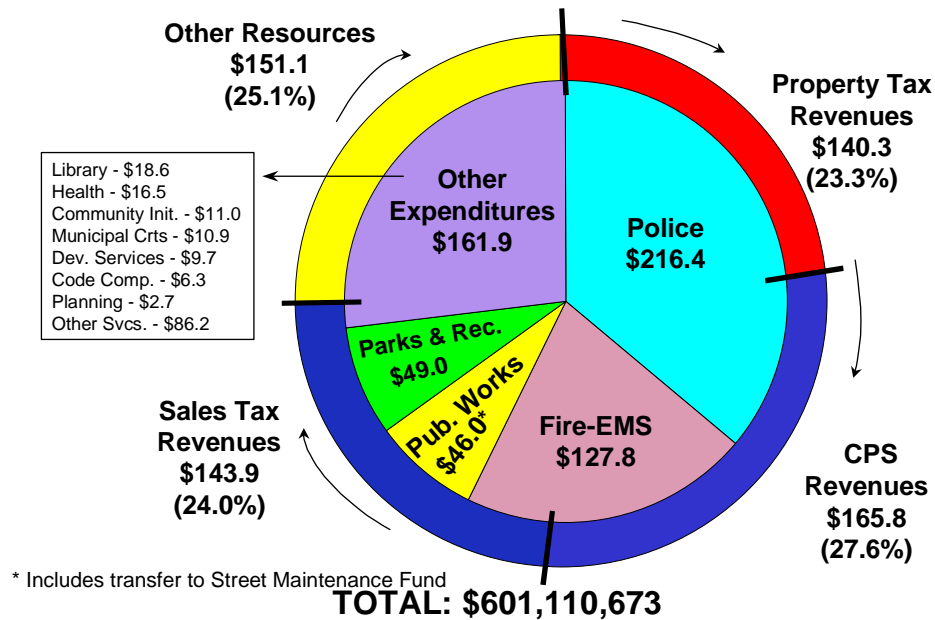
**FY 2002 GENERAL FUND ADOPTED BUDGET**

The Five-Year Financial Forecast projected a shortfall of \$19.8 million for the General Fund under certain assumptions. The Adopted Budget for FY 2002 eliminates the projected shortfall, while at the same time sets aside resources sufficient to support \$25.59 million in new service level enhancements. This was achieved through a combination of additional estimated City Public Service and property tax revenues, new and changed revenues, savings in projected current services expenditures, redirection of existing programs and resources, and suggested program reductions. This section addresses the General Fund revenue changes adopted for FY 2002 that contribute to the elimination of the shortfall. Additionally, this section outlines the adopted improvements to service delivery and provides descriptions of mandated added expenses.

**GENERAL FUND REVENUES**

General Fund available resources are anticipated to be **\$601.1 million**. The three principal sources of General Fund revenue are: City Sales Tax, City Public Service (CPS) payments, and Property Tax. Taken together, these three sources of revenue account for approximately \$450 million, or 75%, of the total General Fund available resources. As shown on the chart below, the FY 2002 Adopted Budget appropriations for the Police, Fire/EMS, Public Works and Parks & Recreation Departments consume all property tax revenue, all revenue from City Public Service, and most sales tax revenue.

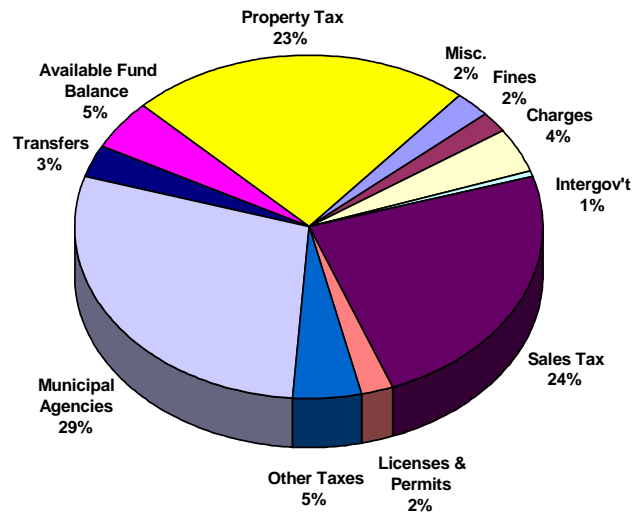
**FY 2002 ADOPTED GENERAL FUND AVAILABLE RESOURCES  
DISTRIBUTED OVER MAJOR SPENDING AREAS (in millions)**



A summary of the significant assumptions and policy issues related to the General Fund is presented here. For the purpose of presentation the Streets Maintenance & Improvement and Emergency Medical Services Funds, which are dependent on the General Fund, will also be discussed in this section. In addition to the major revenue sources mentioned above, the Adopted Budget includes a number of new and/or enhanced revenues.

In summary, a total of **\$601.1 million** is available for appropriation as noted in the following chart. A corresponding pie chart appears in the expenditure section depicting the seven areas of service delivery in which \$601.1 million has been appropriated.

**FY 2002 ADOPTED GENERAL FUND AVAILABLE  
REVENUES**



**TOTAL: \$601,110,673**

● **City Public Service                      \$165.8 million**

The largest source of revenue to the General Fund is generated by City Public Service (CPS). Fourteen percent of all CPS gas and electric customer revenue is paid to the City as a return on investment. The FY 2002 Adopted Budget amount of \$165.8 million from CPS revenues is \$2 million, or 1.2%, less than the FY 2001 net re-estimate of \$167.8 million. The \$165.8 million projection is 11.4% over the \$148.82 million budgeted for FY 2001.

The estimated revenue of \$167.8 million for FY 2001 is net of \$10.82 million in adjustments made in response to high CPS energy bills resulting from the unusual conditions experienced early in the fiscal year. Specifically, in the fall/winter of 2000 - the first quarter of FY 2001 – San Antonio CPS ratepayers were impacted by a combination of both dramatically higher natural gas prices and protracted cold weather. The increased usage of higher priced natural gas created by these conditions caused CPS payments to the City to increase dramatically.

In response to the financial hardships to ratepayers created by these conditions, the City Council voted in January 2001 to dedicate the portion of the City's CPS payments resulting from the impact of increased fuel prices - \$9.25 million - to provide assistance to the City's ratepayers in two ways:

- First, the Council rebated to San Antonio ratepayers across-the-board the amount of \$8.57 million based on ratepayer natural gas usage.
- Second, the Council set aside \$678,199 from the higher CPS payments as an additional contribution to Project WARM to significantly supplement the project's efforts to provide utility relief to economically disadvantaged residents.

In addition, \$1.57 million was earmarked to mitigate the cost impact of higher electrical costs to operate City street lights, traffic signals and facilities, making the total adjustment to FY 2001 CPS revenues at \$10.82 million. After deducting the rebate, the Project WARM contribution, and the increased energy costs from the total of \$178.6 million in estimated payments to the City in FY 2001, the net amount available for normal General Fund operations in FY 2001 is \$167.79 million.



As has been the case for the last several years, the CPS revenue projection of \$165.8 million for FY 2002 is conservative. As demonstrated this year, unpredictable factors such as weather conditions and fuel prices can dramatically impact the amount of revenue realized by the City. Therefore, the FY 2002 projection for this revenue does not assume continuation of the unusual conditions seen in FY 2001. Specifically, staff analyzed CPS' projected growth rates, discounted partially CPS' projections of continuing high natural gas prices in the coming years, and discounted CPS' projected demand. Consequently, staff's projected growth rates as shown above are conservative and prudent in view of the rapidly changing natural gas fuel price environment.

It has been the City's policy in recent years to treat CPS payment revenue in excess of budget as one-time revenue in nature. One-time revenue has been used for one-time improvements, rather than for support to recurring expenditures. Refinement of this policy is needed to accommodate conditions that generate unexpectedly higher amounts of revenue to the General Fund such as the unusual combination of abnormally high fuel prices and excess electricity use experienced in FY 2001. Staff is also working with CPS to develop a policy outlining the extreme circumstances (e.g. abnormally high fuel prices and excess electricity usage) under which consideration of a customer rebate may be warranted.

#### ● **Sales Tax** **\$143.9 million**

The Adopted Budget assumes a moderate rate of increase for sales tax growth in FY 2002 of 3.3% over the FY 2001 re-estimate. The FY 2001 budgeted revenue amount of \$140.2 million assumed an annual rate of growth of 4.6% over FY 2000. However, the re-estimate for FY 2001 sales tax revenue – \$139.3 million – is \$948,023, or 0.68%, less than the budgeted amount and only 4% over actual FY 2000 sales tax revenue amount of \$133.8 million. The slowdown in the national economy that began in late 2000 and continuing through to the present has negatively impacted sales tax revenue collections. By FY 2002, as projected in the Five-Year Financial Forecast, the national economy is expected to begin a moderate rebound from the slowdown. Consequently, sales tax revenues in FY 2002 are projected to rebound modestly at a 3.3% annual rate of growth.

#### ● **City Current Property Tax** **\$137.0 million**

The FY 2002 Adopted Budget includes \$137.0 million in maintenance and operations support for the General Fund from property taxes. To provide a measure of relief from rising property tax payments resulting from increased property tax valuations, the Property Tax rate is reduced by one-eighth, or 0.125 of a cent to 57.854 cents per \$100 valuation. **For the ninth straight year, there will be no increase in the overall tax rate.**

The property tax rate consists of two components. The first is the debt service component that is determined by the City's debt service requirements. The debt service rate for FY 2001 was 22.900 cents per \$100 of assessed value. Funds from this component are deposited in the Debt Service Fund and are used exclusively to pay the principal and interest on debt. The second component of the tax rate is the amount for maintenance and operations (M&O) contributed to the General Fund. The M&O rate for FY 2001 was 35.079 cents per \$100 of assessed value. These two components taken together provided for a total tax rate for FY 2001 of 57.979 cents per \$100 of assessed value.

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. Values for the City of San Antonio recently reported by BAD for FY 2002 show an increase in net taxable value of approximately \$3.57 billion, or 9.89%, above last year. Included in this total, however, is \$1.3 billion for new improvements and \$427 million in annexations, which reflects real growth of 4.79% over last year's total taxable value. The taxable value less new improvements and annexations yields the base valuation. The increase in the base valuation from last year is \$1.84 billion or 5.1%. The following chart breaks down the components of total taxable value.

**Taxable Values in Billions  
(FY 2002)**

<b>Base Value FY 2001</b>	<b>Increase in Base Value</b>	<b>Annexation</b>	<b>New Improvements</b>	<b>Total Value FY 2002</b>
<b>\$36.070</b>	<b>\$1.839</b>	<b>\$0.427</b>	<b>\$1.301</b>	<b>\$39.638</b>
<b>% of Increase:</b>	<b>5.10%</b>	<b>1.18%</b>	<b>3.61%</b>	<b>9.89%</b>

State law requires cities to calculate an “effective tax rate” which is generally equal to the prior year’s taxes divided by the current taxable value of properties that were also on the tax roll in the prior year (less new improvements and annexation). As indicated above, base valuations increased from last year by \$1.839 billion, or 5.10%. Consequently, for FY 2002 to generate the same amount of revenue as in FY 2001, the effective property tax rate is calculated at 54.921 cents per \$100 valuation, a decrease from the FY 2001 tax rate (57.979 cents) by 3.058 cents, or 5.27%.

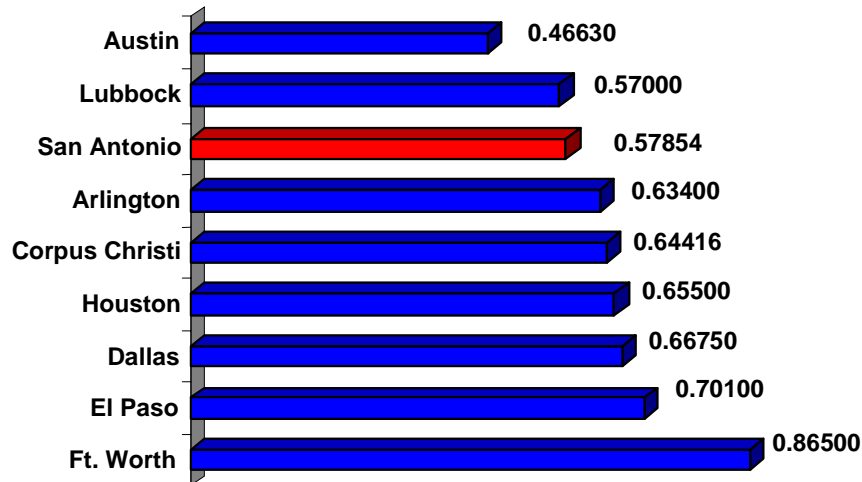
To meet the requirements of the program of General Fund services the FY 2002, Adopted Budget reduces the overall Property Tax rate for FY 2002 by one-eighth, or 0.125, of a cent to 57.854 cents per \$100 valuation. Specifically,

- The overall FY 2002 adopted property tax rate of 57.854 cents per \$100 valuation is 2.933 cents (or 5.34% ) above the FY 2002 effective property tax rate;
- The FY 2002 adopted M&O rate is 35.454 cents per \$100 valuation which is 0.375 cents above the FY 2001 adopted M&O rate of 35.079 cents per \$100 valuation; and
- The FY 2002 adopted debt service rate is 22.400 cents per \$100 valuation which is 0.5 cents (1/2 cent) below the FY 2001 adopted debt service rate of 22.900 cents per \$100 valuation and is consistent with the requirements of the City’s Debt Management Plan.

Together, the adopted M&O and debt service rates combine to equal the total property tax rate of 57.854 cents per \$100 valuation. **Therefore, for the ninth straight year the overall tax rate does not increase and in FY 2002 it is further reduced by one-eighth of a cent.** For the individual homeowner whose appraised value has not changed from FY 2001 to FY 2002, there will be a one-eighth, or 0.125, of a cent savings per \$100 valuation on the City’s property tax bill. However, if the Bexar Appraisal District changes the appraised value on the same home to reflect changes in market value, the impact will vary, depending on the value determined by BAD. From FY 2001 to FY 2002, the average homestead in the City of San Antonio increased in value from \$78,123 to \$83,834, as a result of the healthy local economy, which is an increase of \$5,711, or 7.31%. This means that the average homestead would pay \$33.04 more in City property taxes per year. The changes to property values will vary, but the property tax rate will remain the same.

The adopted tax rate for FY 2002 of 57.854 cents per \$100 valuation places San Antonio as the third lowest of the major cities in Texas. The following chart shows the FY 2002 tax rate for San Antonio as compared to the rates in other major Texas cities.

### Texas Cities Tax Rate Comparison



The following sample statement of taxes due demonstrates the portion of local taxes that are due to the City of San Antonio. This sample statement compares current adopted tax rates for taxing entities including the adopted tax rate for the City of San Antonio. Of the total tax bill due for a \$83,834 home, which is the average certified homestead value, City taxes represent \$485.01 or 21.43% of the total taxes due.

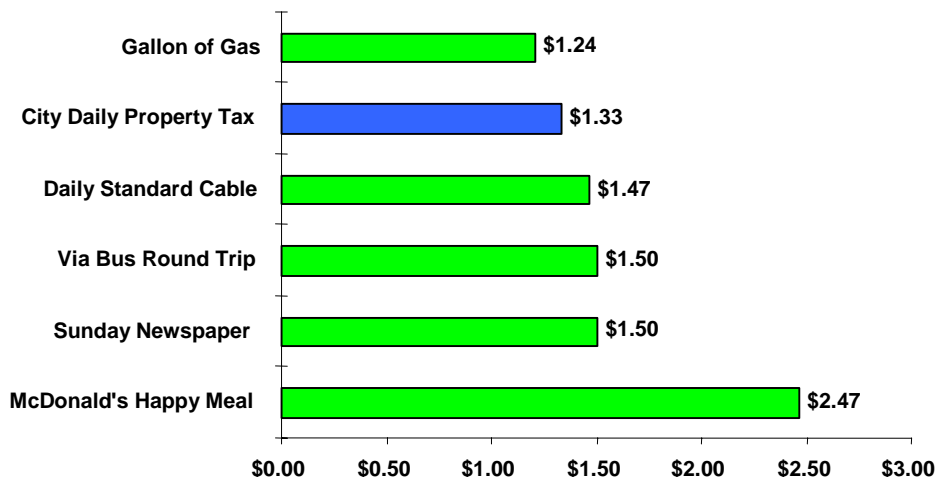
#### SAMPLE STATEMENT PROPERTY TAXES BEXAR COUNTY, TEXAS

Taxing Unit	2001 Assessed Value	Homestead Exemption	Taxable Value	Tax Rate Per \$100 Value	Tax Levy	% of Total Levy
San Antonio I.S.D.	\$ 83,834	\$ 15,000	\$ 68,834	\$1.72200	\$ 1,185.32	52.36%
Alamo Comm. College District	\$ 83,834		\$ 83,834	\$0.10690	\$ 89.62	3.96%
Bexar County	\$ 83,834		\$ 83,834	\$0.33946	\$ 284.58	12.57%
University Health System	\$ 83,834		\$ 83,834	\$0.24387	\$ 204.45	9.03%
Road & Flood	\$ 83,834	\$ 3,000	\$ 80,834	\$0.01810	\$ 14.63	0.65%
<b>City of San Antonio</b>	<b>\$ 83,834</b>		<b>\$ 83,834</b>	<b>\$0.57854</b>	<b>\$ 485.01</b>	<b>21.43%</b>
<b>Totals</b>				<b>\$3.00887</b>	<b>\$2,263.61</b>	<b>100.00%</b>

The senior citizen homestead tax exemption is maintained at \$60,000 for FY 2002. According to the Bexar Appraisal District, there are 55,615 certified senior citizen-owned property accounts. Of these accounts, **31,211, or 56.1%, pay no City property tax.**

The average daily amount of City property taxes due is **\$1.33**, which compares favorably with the common consumer services and items shown in the following chart. All applicable added sales taxes and franchise fees are included in the costs shown. The daily property tax is based on the average homestead value of \$83,834.

### Daily Consumer Costs Comparison



### ● Additional Revenues and Fee Increases

In order to address the pressure on available funds, the Adopted General Fund Budget includes increases to some existing fees and creates new fees. These revenue items total \$2.1 million. Most of the increases are from revenue items that have not been increased since the mid-1990's. The cumulative rate of inflation since 1995 has been 15.8%. The added revenue to be generated from the fee changes represents only a 9.2% increase over the revenue amounts that would be generated by the current fee rates. Also adopted are new revenue items that have been identified to more directly recoup the costs for certain City services that benefit specific customers.

The Code Compliance Department will raise two fees that have not been raised since FY 1997. The two fee changes will generate \$34,127 in added revenue to help offset the rising costs of code enforcement services. The two fees are the Vacant Lot Cleanup Administrative Fee and the Clean and Secure Administrative Fee. The department will raise each fee from \$125 to \$150 per enforcement action involving a vacant lot cleanup or a clean and secure order.

The Development Services Department will administer adjustments of its fees to reflect both the added costs of implementing the requirements of the newly revised Unified Development Code (UDC) and to help offset the costs of providing plan review services. Added revenues totaling \$761,749 are adopted from these fee adjustments.

- In order to implement the newly revised UDC, the Adopted Budget includes \$951,574 in added General Fund mandated improvements for FY 2002. Specifically, to help offset, in part, the added costs of increased review requirements associated with platting, zoning and tree preservation-related applications under the revised UDC, a total of \$302,351 in revenue adjustments are adopted. A four percent across-the-board rate increase is suggested for fees involving plat applications and zoning procedures. A ten percent across-the-board rate increase is suggested for fees related to issuance of tree affidavits in connection with enforcement of the Tree Preservation Ordinance.
- The department offers engineers and architects the opportunity to have preliminary consultations with City plans reviewers prior to plan submittal as well as make corrections to already submitted plans. Frequently, overtime must be expended for City staff to make these services available to the development community. Accordingly, the department will increase its preliminary plan review fees and its follow-up additional plan review fees by 50% raising an additional \$459,398 in added revenues to the General Fund.

The Fire Department will raise two fees associated with Emergency Medical Services that will generate an additional \$476,323 in FY 2002.

- An increase in the electrocardiogram (EKG) utilization fee will help offset the costs associated with the improvement of adding ten 12-Lead EKGs in FY 2002. These medical devices allow emergency care personnel with a view of the heart from 12 angles and to more precisely assess a patient's cardiovascular system. The 12-Lead EKG utilization fee has been modified from the current \$25.00 charge to a \$35.00 per use charge. This will generate \$26,537 in FY 2002.
- The current Ambulance Service Fee will increase to help offset the operating costs associated with transporting patients. Increasing paramedic personnel costs along with rising fuel and maintenance costs have resulted in higher transport costs for the Department. The Ambulance Service Fee will increase from \$265 per transport to \$300 per transport. This increase will generate \$449,786 in FY 2002.

The Health Department will increase fees associated with the enforcement of the City's food service inspection, trailer court, and environmental regulations that are expected to generate a total of \$246,551 in FY 2002.

- With respect to food service inspection, the department will raise the Food Establishment License fee by ten percent. This fee has not been increased since 1992. The fee increase will generate \$170,201. Other fee increases related to food inspection services include the Rendering Materials Collector Fee (from \$30 to \$40 per vehicle), the Food Vending Fee (from \$35 to \$40), permits associated with different types of pre-packaged perishable foods, and the Pushcart Vending License (from \$50 to \$60). These fees have not been increased since 1997.
- The department will increase the Trailer Court Operator's License from \$20 per space to \$25. This fee has not been increased since 1997. The fee increase is projected to result in \$37,195 in added revenues in FY 2002.
- Several environmental fees have not been increased since 1991 or earlier. These fees include the Air Pollution Inspection Fee (from \$300 to \$350 per year), the Cross Connection Survey Fee (from \$60 to \$75 per survey), the Asbestos Demolition Inspection Fee (from \$50 to \$75 per inspection), and the Water Lead Test Fee (from \$15 to \$20 per test). These fees will raise a total of \$10,300 in added revenue.

The Parks & Recreation Department is adjusting a variety of fees related to the many different services provided by the department. The fee adjustments will result in a total of \$566,347 in increased revenue in FY 2002. Parks services fee changes include downtown parks, the Tower of the Americas, McFarlin Tennis Center, City pool operations, park softball fields, park pavilions, community centers and gymnasiums.

- Fees related to downtown parks include the Downtown Peddlers License (from \$300 to \$350 per license), San Saba Street Rental (from \$500 to \$750 per event) and the Market Square Mall Outdoor Lease Fee (from \$300 to \$350 per event). The increases in fees will likely result in \$11,000 in added revenue for FY 2002.
- Not since 1995 have the City's admission fees for the Tower of Americas been adjusted. The department will raise the standard admission fee from \$3 to \$4 for adults, \$1 to \$1.50 for children aged four to eleven, and from \$2 to \$2.50 for senior citizens aged 55 and over. For admission to the Tower Restaurant, the department will raise the fee from \$1.25 to \$1.75 for adults, from 50 cents to 75 cents for children aged four to eleven, and from \$1 to \$1.25 for senior citizens aged 55 and over. These two fee increases will raise \$313,908 in added revenue for FY 2002.
- The Adopted Budget provides that the operation of the McFarlin Tennis Center be placed under the full management of the Parks Department as opposed to the current tennis professional contractual management arrangement. Under the new management arrangement, the City will garner 100% of the net revenue from the operation of the Tennis Center Pro Shop (as opposed to the 3% of gross revenue the City received in FY 2001), 100% of the net revenue from the sale of food in the snack bar and from vending machines (as opposed to zero revenue in FY 2001), 100% of the revenue from the

provision of tennis racket repair services (as opposed to zero revenue in FY 2001), and 100% of revenue from the operation of tennis leagues and the hosting of tennis tournaments (as opposed to zero revenue in FY 2001). The revenue adjustments will add \$147,535 in revenue to the General Fund in FY 2002.

- The Parks Department will change the admission rates for outdoor City pools. There has not been a change to these rates since 1987. Specifically, the rates for admission for those under seven years of age (25 cents), those aged seven to 12 (50 cents) and those aged 13 to 17 (75 cents) remain unchanged. However, for those aged 18 and over, the admission is recommended to increase from 75 cents to \$1.25. This increase is expected to result in \$7,595 in added revenue.
- User fees for the use of softball diamonds have not been changed since 1997. The Parks Department will increase fees for the use of Class A (Alva Jo, Kennedy and Koger Stokes) and Class B (Lambert Beach, Rusty Lyons, Tony Martinez, and Normoyle) softball fields as follows: Class A fields – from \$110 all day to \$165 for the first 12 hours with \$15 per hour for each additional hour; and Class B fields – from \$110 all day to \$110 for the first 12 hours with \$15 per hour for each additional hour. These fee adjustments will generate \$5,300 in added revenue.
- Fees for Park Pavilion Permits have not been increased since 1996. The Parks Department will increase these fees to allow the City to recover some of the costs of utilities and pavilion maintenance. The department will raise the fee for pavilion usage on Friday, Saturday and holidays from \$50 to \$65 and keeping the fee from Mondays through Thursdays the same (\$25). The fee increase will generate \$12,150 in revenue for FY 2002.
- The fee structure for reserving the use of Parks community centers has not been modified since 1996. The Parks Department will adjust the fee structure to help recover the varying costs associated with different types of events that may be hosted in a community center. The department will do away with the \$15 per hour flat fee (two hour minimum) for all events and replacing it with a \$15 per hour fee (two hour minimum) for gym practice; \$25 per hour fee (two hour minimum) for general, no admission/no concessions usage with a \$50 clean-up fee assessed if food is served; and a \$50 per hour fee (two hour minimum) for special events charging admissions and/or selling concessions with a \$100 clean-up fee.
- Fees for reserving the use of the San Fernando and Woodlawn Gymnasiums have not been modified since 1997. Similar to the revised fee structure for Parks community centers, the department is restructuring the gymnasium usage fee structure to accommodate the needs of different types of events. The flat \$10 per hour (two hour minimum) fee will be eliminated and replaced with a \$25 per hour fee (two hour minimum) for gym practice and games; and a \$50 per hour fee (two hour minimum) for special events (e.g. tournaments, boxing matches) charging admissions and/or selling concessions with a \$500 damage/clean-up deposit.

The Planning Department will implement changes in five of its fees and add a new fee in order to partially address the added costs of implementing the recently revised Unified Development Code. A total of \$6,783 is expected to be generated by the fee adjustments. Existing modified fees include: Sale of Zoning Maps (from \$30 to \$36), Map Reproduction Fee (from \$15 to \$18 per linear foot), Plan Completeness Review Fee (from \$381.10 to \$397 per plan), Plan Amendment Fee (from \$257.50 to \$268 per plan amendment), and Vested Rights Permit (from \$145 to \$160 per permit). There is a new fee for situations when applicants choose not to provide a Notification List for Planned Unit Developments (PUD's). The fee for staff to generate the list will increase from \$50 inside the City limits to \$52 inside the City limits and from \$100 outside the City limits to \$104 outside the City limits. This fee will generate \$140 in FY 2002.

The Public Works Department will implement a new fee to recoup a portion of the costs associated with the development of a Design Criteria Manual. The manual will act as a guide or tool for developers to use in conjunction with the revised Unified Development Code. The fee is \$45 per manual and is expected to result in \$4,500 in added revenue.

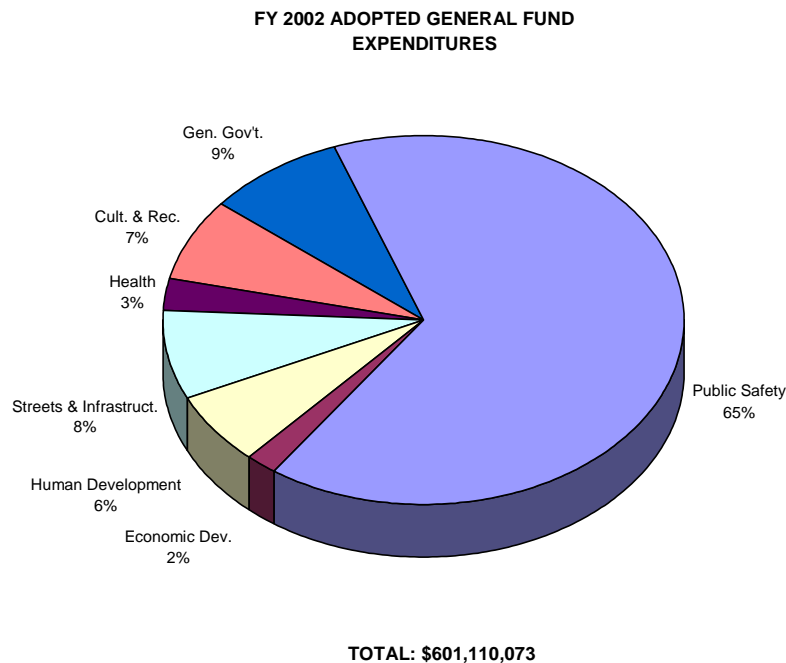
## ● Fund Balance

The final element of resources available in the General Fund is fund balance in excess of the \$23.17 million Reserve for Revenue Loss. The General Fund is estimated to have an unreserved fund balance of \$30.36 million that will be used to augment available resources for FY 2002.

## GENERAL FUND EXPENDITURES

The FY 2002 Adopted General Fund expenditures are **\$601.1 million**. This amount represents a 5.58% increase over the FY 2001 Adopted Budget. This section will discuss current services, improvements to service delivery and mandated changes to service delivery. For purposes of presentation, the Emergency Medical Services (EMS) Fund and the Streets Maintenance Fund, which are dependent on the General Fund, will also be discussed in this section.

The pie chart below depicts the seven general areas of service delivery among which the \$601.1 million in General Fund expenditures is proposed for appropriation.



### ● Current Services

The current services budget represents the cost of providing services at the FY 2001 level before mandates or improvements are considered. Current services takes into account the full cost of existing personnel at FY 2001 staffing levels. No increases in civilian employee compensation are assumed in estimating the personnel cost component of the current services budget. The FY 2002 current services budget does, however, reflect \$10.52 million in increased expenditures over the FY 2001 budget that are needed to accommodate significant cost increases that have been experienced primarily in the following types of expenses: employee health insurance, liability claims, Workers Compensation, motor fuels, and electricity charges.

Among the non-personnel adjusted costs factored into the current services budget include increased assessments for self-insurance funds. Significant adjustments to the departmental assessments budgeted in all City funds for the City's self-insurance funds will be needed to sustain the current programs supported by these funds. Rising health care costs, changing employee demographics, and significant claims increases are creating dramatic financial stresses on the City's self-insurance programs. Specifically, the City operates three primary self-insurance programs supported by three different City funds: Employee Benefits, Workers Compensation and Liability. More information on the rationale for the assessment rate increases for the programs supported by each of these funds will be provided in detail in

the "FY 2002 Other Funds" section of the Executive Summary. The total added cost impact to the General Fund for the self-insurance fund assessment rate increases is \$8.124 million. Each of the increased assessment rate adjustments is described below.

- The Employee Benefits program supports the City's employee health insurance program that provides health insurance for each employee and his or her dependents at no cost to the employee, if the employee selects the standard CitiMed program. Employees, if they wish, may supplement the City's contribution to receive coverage under a Health Maintenance Organization (HMO). The program has experienced dramatically increased costs for medical claims and prescriptions that will place the Employee Benefits Fund in shortfall situation at the end of FY 2001. Specifically, medical claims costs rose 16.13% and prescription costs rose 21.5% in FY 2000. Furthermore, the volume of medical claims increased by 23.72% in FY 2000. The trend for cost increases is expected to continue with a 12% projected increase in overall medical costs for FY 2002. In response, the Financial Forecast recommended a series of assessment rate increases to be implemented over each of the next five years in order to bring the Employee Benefits Fund back into a positive fund balance at the end of that period. The percentage increase of the assessment rate included in the Adopted Budget for FY 2002 is 25% over FY 2001. The impact to the General Fund is \$6.5 million in additional expenditures in FY 2002.
- The Workers Compensation program provides compensation to employees injured on the job as well as supports the Employee Safety Program and the Occupational Health Clinic. Claims activity in this program has increased significantly over the years. In order to maintain a fund balance adequate to support future claims, departmental assessments in all funds will be increased. For FY 2002 the percentage increase of the assessment rate is 7% over FY 2001. The impact to the General Fund is \$423,537 in additional expenditures in FY 2002.
- The Liability Fund provides resources to address claims made against the City and supports the Risk Management and Litigation staffs in the City Attorney's Office that defend the City against claims. Within the Liability program, claims activity has also risen markedly. Based on value of claims known today, the Liability Fund balance will be negative by FY 2003 without significant adjustments to departmental assessments in all funds. For FY 2002, the projected rate of increase in the assessment rate is 30%. The impact to the General Fund is \$1.2 million in additional expenditures for FY 2002.

The current services budget has also been adjusted to accommodate significantly higher motor fuel costs that have been also experienced nationwide. The FY 2001 General Fund budget for motor fuel was \$2.9 million and re-estimated expenditures for the current year are \$3.6 million – a difference of 24%. For FY 2002, the rate of fuel cost increase is projected at 35% over the FY 2001 budget. The current services budget for FY 2002 for motor fuel is \$3.9 million.

Charges for electricity use by City street lights, traffic signals and facilities have also risen significantly due to the increased costs of electricity generation experienced by CPS discussed earlier. The FY 2001 General Fund budget for electricity usage was \$13.24 million and re-estimated expenditures for the current year are \$14.8 million – resulting in \$1.57 million in unexpected costs for the current year. As referenced earlier in the discussion on CPS revenues, the \$1.57 million in added FY 2001 electricity expenses will be covered by a portion of the added CPS revenues attributable to the abnormal rise in natural gas prices that have been set aside for this purpose. For FY 2002, to accommodate the increased electricity costs, the current services budget is at \$14.65 million which represents a \$1.4 million, or 10.6%, increase in electricity expenses over the FY 2001 budget.

#### ● City Council Budget Priorities - Changes to Service Delivery Overview

Overall, the FY 2002 Adopted Budget includes **total net program changes of \$27.71 million**. This is accomplished by adding **\$25.59 million for program improvements, \$10.7 million in mandated improvements and \$8.6 million in redirections/reductions**. Included in these amounts are **\$6.96 million in one-time expenditures**. Departments reviewed current services and programs, and by using City Council's Budget Priorities, identified service level enhancements and opportunities to reduce



expenditures or redirect resources to higher priority areas. The City Manager and the Management Team reviewed the anticipated effect to services and fiscal impact of the proposals.

The City Council's June 22 Goals & Objectives Worksession resulted in a list of budget priorities for staff to use as a guide in the development of the FY 2002 Proposed Budget. The budget priorities were expressed by the Council in terms of three tiers, with those listed in Tier One being of higher priority than those listed in Tier Two and Tier Three. The improvements and mandates included in the Adopted Budget are described here in terms of these priorities. As an overview prior to a more detailed discussion of the adopted changes, the priority areas for which improvements and mandates are recommended are listed below. Within each tier, the priorities are not necessarily listed in priority order.

- **Tier One**
  - Existing Infrastructure
  - Housing & Neighborhood Planning
  - Economic Development
  - Public Safety
- **Tier Two**
  - Human Development
  - Charter Review/Governance
  - Environment
  - Unified Development Code (UDC) Implementation
- **Tier Three**
  - Customer Service
  - Parks & Libraries

## ● **Adopted Improvements and Mandated Expenditures**

The Adopted Budget contains over **\$36 million** in improvements and mandated expenditures. The improvements and mandates are described below and categorized by the Council's Budget Priorities.

### ◆ **TIER ONE – EXISTING INFRASTRUCTURE**

The City's continued growth and economic prosperity have always hinged upon an effective infrastructure. The Adopted Budget includes **\$2.8 million in enhanced services** to address infrastructure issues such as implementing the final Brooks City Base agreement with the Air Force, improving the City's ability to deliver capital projects on-time and within budget, enhancing maintenance of the City's existing street system, and planning for the revitalization of the inner city core as recommended by the Community Revitalization Action Group (CRAG) process.

**Brooks City Base.** The Adopted Budget has \$1.02 million in added expenditures to implement the Brooks City-Base Project. The Brooks City-Base Project is a first-of-its kind cooperative effort between the Air Force and the City, designed to improve mission effectiveness, reduce the cost of providing quality installation support, and promote and enhance economic development on Brooks AFB and in the surrounding community. In November 2000 the City Council passed an ordinance authorizing the City Manager to enter into a Non-Binding Agreement with the Secretary of the Air Force to implement the Base Efficiency Project at Brooks AFB. The Non-Binding Agreement outlines the general terms and conditions of the transfer of 1,310 acres of land, facilities, utility systems and infrastructure to the City or its assignee.

The final definitive agreement is still subject to negotiations with the Air Force and will require City Council approval. The expected completion date of the final definitive agreement is later this summer. Once the final agreement becomes effective, the City will be responsible for providing basic municipal services to the base and to begin efforts to develop the base as a business and technology park. The City has established the Brooks City-Base Office to serve as its central point for managing the project. The \$1.02 million represents the added costs to the City of providing the following basic services assuming a February 1, 2002 effective date:

<u>Department</u>	<u>Function</u>	<u>Description</u>	<u>Cost</u>
Brooks City-Base	Strategic planning and marketing	Planning and marketing resources	\$200,000
City Attorney	Legal doc./utility negotiation	Contractual money for outside legal counsel	\$150,000
Police	Police	One Patrol Officer	\$47,120
Fire	Fire	Operating Costs (overtime, fuel, etc)	\$14,316
Fire/EMS	EMS	Operating Costs (peak period overtime, fuel, etc)	\$27,341
Public Works/Streets	Street Maintenance	Operating resources	\$86,544
Public Works	Traffic	Street sign replacement & maintenance	\$36,666
Non-Departmental	Street Lighting	Streetlight utility charges	\$24,210
Parks & Recreation	Parks	Contractual operating resources	\$437,109
Health	Animal Control	Operating resources	\$374

**TOTAL IMPROVEMENT COST**

**\$1,023,680**

The above costs in FY 2002 will be offset in part by \$573,680 in revenues to the City from operation of the base to include leases and proceeds from other consideration. This revenue offset will make the net added General Fund cost in FY 2002 at \$450,000. The full year costs in FY 2003 are expected to be \$917,063.

Also, included in the Adopted Budget related to the Brooks City-Base project is \$255,122 in the Stormwater Operating Fund to maintain 255 acres on Brooks AFB and 345 acres of drainage areas on Kelly AFB. The City will pick up the responsibility for drainage areas maintenance on Brooks under the terms of the Brooks City-Base agreement. The drainage areas on Kelly AFB are now the City's responsibility with the recent closure of Air Force operations on the base. Included in the improvement are four positions funded for six months: one Equipment Operator I, one Equipment Operator II, one Maintenance Worker, and one Maintenance Crew Leader. Also included in the improvement is the acquisition of all necessary materials and equipment.

**Capital Programs Implementation.** The Adopted Budget has \$381,229 in added expenses to make improvements to the City's implementation of capital programs.

- To improve the City's responsiveness in the design and construction of capital projects, particularly those authorized by general obligation bond programs, the Adopted Budget includes \$286,229 to create a fifth Project Management Team. Specifically, this improvement would add five positions for nine months -- one Sr. Engineer, one Engineer, one Engineer Associate, one Capital Projects Officer and one Engineering Technician. This additional team will reduce the workload currently assigned to the existing four Project Management Teams in the Capital Programs Division. The cost of this improvement will be offset through charges to the funding sources for the capital projects managed by the team.
- As a further enhancement to the City's management of the capital program, the Adopted Budget includes \$20,000 for software development services to integrate the existing Capital Budget Information System maintained by the Office of Management & Budget with the Capital Project Status System maintained by the Public Works Department. The added cost for the integration will be charged off to capital project funds.
- In order to place the City in the best position possible to receive grant resources to augment its capital improvement program from the state and federal governments, the Adopted Budget includes \$75,000 for membership fees to two transportation-related associations; TEX-21 and the San Antonio Transportation Alliance. TEX-21 is a statewide coalition of counties and cities dedicated to finding

ways to improve the state's transportation infrastructure. The dues for TEX-21 are \$25,000. The San Antonio Transportation Alliance (SATA) is a collaboration of area-wide entities (e.g. City, County, Metropolitan Planning Organization, VIA, chambers of commerce, developers, transportation industry representatives, and alternative transportation advocates) dedicated to attracting additional transportation funding to the San Antonio area. The dues for SATA are \$50,000.

- Funding is also included in the Adopted Budget to conduct an external performance review of the City's Capital Projects Management function. The Adopted Capital Budget includes a \$713.9 million Six-Year Capital Program and a single-year capital budget of \$319.8 million for FY 2002. The performance review will research best practices in the area of capital projects management, determine the degree to which the City's process relates to those practices, and make recommendations for adjustments as needed.

**Streets Maintenance.** Included in the Adopted Budget is a total of \$947,191 in added expenditures associated with maintenance of the City's streets system.

- The Adopted Budget will add \$670,000 to the Neighborhood Accessibility and Mobility Program (NAMP). The NAMP provides resources for use in each Council district to accomplish small street repair, sidewalk repair, speed hump and school flasher projects. Currently, \$133,000 is budgeted for each district. In FY 2002, the NAMP scope will be expanded to include other transportation projects such as streetlights, traffic signals, medians and pedestrian walks. Under this improvement, each district will have a total of \$200,000 apiece for NAMP-related projects.
- In order to improve productivity, the Adopted Budget includes funding to acquire equipment and materials to establish a complete full-depth streets reclamation program at a first-year cost in FY 2002 of \$277,191. As opposed to having to apply new asphalt to build the base of a street, the full-depth reclamation concept removes and recycles existing street overlay materials. The Public Works has piloted this concept with a standard milling machine. Acquisition of a new roadway reclaimer machine, along with the necessary truck and trailer to transport the equipment, will be achieved using a lease-purchase payment method allowing payments to be spread over five years. Use of the reclaimer will reduce the time needed for base application by half as compared to using a standard milling machine for the reclamation process. The first-year cost also includes six months of operating needs (e.g. equipment replacement fund program costs, fuel, maintenance and repair). The first-year cost will be offset by a reduction in the purchase of new asphalt materials with estimated savings at \$155,000 for a net improvement cost of \$122,191.

**Community Revitalization Action Group (CRAG) Target Area Planning.** A focus of the inner city revitalization efforts developed by the CRAG has been to emphasize the need for improvements and sustainability of neighborhoods/communities through the redevelopment of infrastructure, housing, community development and neighborhood services. The CRAG Target Area consists of the original 1940s city limit boundaries that encompasses a 36 square-mile area surrounding the inner city. Included in the Adopted Budget is \$88,558 in added resources for improved planning efforts to guide the area's redevelopment and revitalization.

- The amount of \$38,558 is in the Adopted Budget to add one Senior Planner for nine months to conduct a comprehensive architectural survey of the institutions, commercial corridors and historic neighborhoods within the CRAG Target Area. The cost of the position will be offset 50% from capital projects, and 50% from a grant from the San Antonio Conservation Society. The survey, when complete, will facilitate timely review and approval of building and demolition permits issued by the City within the CRAG Target Area.
- The Adopted Budget has \$50,000 that will be used to gather and develop materials that support inner city revitalization efforts including land use planning and development projects, programs and policies. The preparation of materials is required prior to attracting national urban planning professionals affiliated with the Urban Land Institute (ULI) to help develop a strategy for implementation and revitalization of the CRAG Target Area. The cost for hosting a ULI conference in the Spring of 2002 may be up to \$150,000 (anticipated to be funded from the Neighborhood Revitalization Fund) depending on the scope and number of national panelists selected to work on the project.

**Infrastructure Inventory.** New financial reporting standards mandated by the Governmental Accounting Standards Board (GASB) to be effective in FY 2002 require the retroactive reporting of all general infrastructure purchased, constructed or donated to the City after June 30, 1980. The new standards are referred to as GASB 34. To meet the GASB 34 requirement, the Adopted Budget includes \$169,667 in additional resources to begin the task of preparing and maintaining a comprehensive inventory and valuation of the City's infrastructure. Specifically, three positions will be added to the Public Works Department - a Special Projects Coordinator and two Engineering Technicians for nine months. The new positions will work closely with the Finance Department's existing GASB 34 implementation team.

**Market Square Study.** The City's Market Square area is a historic landmark and a major tourist attraction for San Antonio. The Adopted Budget includes \$35,000 to prepare a Master Plan for potential major upgrades and improvements, and to identify opportunities for future development.

**City Facilities Office Space.** Included in the Adopted Budget is \$123,460 to cover increased rent and relocation expenses associated with the relocation of the Fire Marshal's Office and the Neighborhood Action Department to relieve crowded conditions and inefficient uses of space.

**Capital Project Infrastructure Improvements.** The Adopted Capital Budget for FY 2002 also includes \$2.38 million in resources funded with projected Certificates of Obligation directly related to priority Council infrastructure issues.

- An additional \$1.75 million in assistance to four Kelly USA improvement projects in FY 2002 involving demolition, right-of-way acquisition and road design.
- With respect to the Medical Center area, \$626,000 is set aside as City matches to capital projects involving needed transportation improvements.

#### ◆ TIER ONE – HOUSING & NEIGHBORHOOD PLANNING

Strong, safe, dynamic neighborhoods with well-maintained and affordable housing provide a better quality of life for San Antonio residents and a healthier city. Included in the Adopted Budget is \$1.9 million in enhanced services to improve the responsiveness and effectiveness of the City's code enforcement efforts, add resources to address the Housing Rehabilitation Waiting List, and to provide additional resources for the Neighborhood Commercial Revitalization program.

**Code Compliance Neighborhood Program.** This improvement totaling \$773,987 will significantly enhance the City's proactive code enforcement efforts for FY 2002. A total of 12 new positions will be funded in the Code Compliance Department – eight Code Enforcement Officers and four Abatement Officers for six months with associated equipment. Specifically, the additional positions will support three Code Enforcement-related initiatives for FY 2002. These initiatives will enhance service delivery and interdepartmental coordination involving the Code Compliance Department, the Police Department and the Council Action Team. The programs include: Code Compliance/Police Cooperative, Abatement/Environmental Services, and an interdepartmental Service Accountability Program.

- Code Compliance/Police Cooperative. Decaying structures and blighted conditions affect many of San Antonio's older neighborhoods. These conditions often act as catalysts that spur criminal activity and affect crime prevention efforts. The Code Compliance Department recognizes these issues and has attempted to increase community awareness and voluntary compliance by encouraging and coordinating partnerships with other City Departments, neighborhood and community groups and other entities.

The Code Compliance/Police Cooperative will strengthen the already existing working relationship between the Police and Code Compliance Departments. Cooperative programs already in place include:

- San Antonio Fear Free Environment (SAFFE) Program – Code Enforcement Officers work jointly with San Antonio Police Officers to identify and solve neighborhood nuisances which present community problems from both a code and law enforcement perspective.
- Strategic Nuisance Abatement Program (SNAP) – this Police lead initiative includes a multi-departmental team charged with targeting nuisances through the utilization of civil statutes aimed at health, safety and other quality of life issues.
- Commercial Corridor Safety Program – this Police Department initiative focuses on problem solving and the development of long-term solutions posed by general nuisance within selected Commercial Corridors.

In order to further these cooperative efforts between the Police Department and Code Compliance, the FY 2002 Adopted Budget will establish a working team of Police and Code Compliance personnel that will work together daily to identify, through crime and code analysis, the problem “hot spots” impacting neighborhood safety. This improvement includes the utilization of four existing Code Enforcement Officer positions as well as the addition of eight Code Enforcement Officer new positions, to be funded at six-months in FY 2002. Beginning in October 2001, four existing positions will be deployed to the North, South, East and West Police Sub-Stations. In March 2002 eight new positions will be deployed in the following manner: two positions at the Prue and Downtown Police substations and one additional position for the North, South, East and West sub-stations. By the end of FY 2002, the total number of Code Compliance personnel housed out of Police substations will total twelve.

The major elements of this program consist of:

- The Code Enforcement Officers at each station will work with each of the Police Substation Commanders and the SAFFE Officers to address code and public safety issues within the neighborhoods. These cooperative efforts will be able to call upon other key Code Compliance personnel such as Abatement Officers or Dangerous Premises Investigators to address the needs.
  - The team's functional responsibilities will lie within the boundaries of existing Police Substation District areas, with its efforts being driven by the Police Department's Management Accountability Program crime data and other participating departmental databases.
  - The team will be responsible for working closely with neighborhood associations in an effort to more quickly address problems and devise solutions.
  - SAFFE Officers will be trained in code violation procedures whereby they can document and issue citations thus facilitating corrective action.
  - The team will track their enforcement and compliance efforts and will continue to work small areas of high crime and code violations until the area is cleaned up on a long term basis.
  - The team will assist with the mobilization of volunteer clean-up projects.
  - The introduction of a Code Compliance Neighborhood Coordinator, charged with evaluating neighborhood needs and programmatic impacts.
- **Service Accountability Program.** In addition to Police and Code Compliance coordination, a new initiative utilizing Geographic Information System (GIS) technology will also be implemented in FY 2002. Similar to the Police Department's Management Accountability Program, the Service Accountability Program will focus on Code Compliance, Public Works, Parks & Recreation and other field departments. This monthly program will combine service request information, generated through the 311 Call Center, as well as existing service delivery data from departments. Departments will be held accountable to strategically deal with heightened service request areas, and encouraged and empowered to resolve the issues. The Information Technology Services Department (ITSD) GIS

Division will collect and assist the departments with trend analysis of the information at the monthly meetings. This improvement will be supported with the additional resources being added to the ITSD Department GIS Division for further improvement of the City's GIS system as part of the Adopted Budget for FY 2002.

- **Brush Service Enhancements.** The four new Abatement Officer positions established in the Code Compliance Department will provide additional dedicated and directed enforcement of the City's regulations regarding illegal dumping and the improper placement of brush and bulky goods on curbs outside of normal refuse collection schedules. The Abatement Officers will augment the five existing Abatement Officer positions who already work in close coordination with the Environmental Services Department in enforcing the City's illegal dumping codes. With this improvement, a total of nine Abatement Officers will be focused on this issue. The cost of the additional Abatement Officers (\$273,987) will be offset by additional revenue from fines resulting from the increased enforcement.

**Housing Rehabilitation Waiting List.** The City's Owner-Occupied Rehabilitation/Reconstruction Program, which was transferred from the San Antonio Development Agency in February 2001, receives Community Development Block Grant (CDBG) and HOME funds from the U.S. Department of Housing and Urban Development for rehabilitation and reconstruction housing projects. The average cost for rehabilitation and reconstruction of housing units is \$35,000 and \$50,000 respectively. Currently, there are up to 158 individuals on the Housing Rehabilitation Waiting List requesting housing assistance. In FY 2001, the General Fund contributed \$1 million dollars to help address the Housing Rehabilitation Waiting List. The Adopted Budget will add another \$1 million in FY 2002 bringing the total General Fund contribution to \$2 million. In combination with \$6.6 million set aside in FY 2001 and FY 2002 in the CDBG and HOME Budgets, the total available resources from the City for the waiting list totals \$8.6 million. Staff is developing policies for those units funded by the General Fund to possibly include low interest loans, extended payback terms, and/or emphasis on units based on health and safety needs.

**Neighborhood Commercial Revitalization.** The Adopted Budget will add \$140,000 to the Neighborhood Commercial Revitalization (NCR) Program. In February 1998, the City Council approved the creation of the NCR Program. The goals of the NCR Program are to support economic reinvestment in the business corridors of San Antonio's urban core, create economic and employment opportunities in the inner city, and improve the physical appearance of these areas. Working with community-based organizations made up of businesses, property owners and neighborhood residents, the Program focuses revitalization efforts on four main areas: design and planning, marketing and promotion, business development, and organization. During the Spring of 2001, the Department initiated a program review to include stakeholder input for recommendations on program policy changes. This review resulted in recommendations to modify process for selection and funding of projects. These changes include extending current three year contracts to six year contracts, increasing funding for projects from \$225,000 to \$360,000; limiting selection of revitalization projects to existing partnership projects; initiating year-round marketing and applications for partnership projects; and providing technical assistance to both participants and areas businesses. In addition, Planning Department resources will assist in preparing development plans to guide revitalization efforts including urban design assistance and land use planning.

As approved by City Council in 1998, the NCR Program has completed four funding rounds with resources allocated from the General Fund and Community Development Block Grant (CDBG) and currently has seven targeted neighborhood commercial revitalization districts. These areas include: Southtown, Deco District, EastTown@Commerce, Presa Real, Midtown on Blanco, Historic E. Houston St. and New Light Village. Of the \$140,000 improvement in the FY 2002 Adopted Budget, \$70,000 is a mandated expenditure that will be used to support the approved New Light Village NCR project. The remaining \$70,000 will provide funding for the fifth NCR Program 2002 Selection Round with award anticipated in July 2002. Since January 1999, when the first of seven projects was placed under contract, cumulative private reinvestment of \$2.9 million in 34 new and expanded businesses has resulted in the creation or retention of 171 jobs while enhancing the quality of life by bringing needed goods and services to inner-city neighborhoods.

## ◆ TIER ONE – PUBLIC SAFETY

The Adopted Budget includes a total of \$11.34 million in net adopted enhancements and mandated improvements for Public Safety services. Of this amount is \$1.06 million to implement the first year of the Police Rolling Staffing Plan, \$531,597 for matches to Police-related grant programs, \$266,465 for continued implementation of new Police facilities and technology authorized by the 1999 General Obligation Bond program, \$2.027 million to implement the FY 2002 recommendations of the Rolling Fire Master Plan, \$1 million set aside as a package to implement the results of the Park Ranger Performance Review, and \$535,365 for improvements and mandated expenditures in Municipal Court,

**Police Rolling Staffing Plan.** Since FY 1993, the City has concentrated on enhancing the level of Police services annually to meet the changing needs of the community. The blueprints for the enhanced services include the 1992 Comprehensive Staffing Plan, the Vision 2001 Plan implemented in FY 1997, and the SAPD Rolling Staffing Plan. A common goal in each of these plans is reducing crime in all categories through various measures. Factors such as crime and demographic trends, calls for service, patrol availability, peak level staffing during critical call load periods, and improved operational efficiencies to be realized through technological enhancements have been considered throughout the Police Department's planning efforts.

Building on the foundation established by the City's 1992 Comprehensive Staffing Plan, Vision 2001, the Management Accountability Program, and the 2000 General Obligation Bond Program, the 2000 Rolling Staffing Plan was presented to the Council in June 2000. The 2000 Staffing Plan proposed the addition of 369 sworn positions and 22 civilian positions over five years. A key component of the 2000 Plan was implementation of the concept of directed patrol. Under the directed patrol concept, manpower is provided to substation commanders to address problem areas within their neighborhoods as well as provide a ready source of officers for the Chief of Police to deploy to major incidents while maintaining overall patrol availability. Another objective of the Plan is to maintain a high Patrol Availability Factor (PAF). The PAF has been a key performance measure for the Police Department since the development of the original 1992 Comprehensive Staffing Plan. The PAF is defined as the amount of time available to a patrol officer for proactive patrol as opposed to responding to radio calls for service. The original 1992 Plan focused on increasing the number of police officers to improve the PAF. Incrementally, the PAF has increased from 27.76% in FY 1993 to a high of 42.7% in FY 1996. After a slight decline to 40.4% in FY 1997, PAF held steady in FY 1998. However, in FY 1999 PAF declined to 37.9%. The 2000 Rolling Staffing Plan made recommendations for improvements to maintain a 42.5% annual PAF and a 40% PAF during peak workload months of July through September in FY 2001.

Because the Staffing Plan is "rolling", it is a flexible document, and the total staffing requirements will vary over time depending on workload, attrition, and numerous other factors. It was anticipated that the plan would be updated on an annual basis to accommodate changing circumstances. To begin to address the issues raised in the 2000 Rolling Staffing Plan, included in the FY 2001 Adopted Budget were ten added police officer positions as the first increment of directed patrol officers. To supplement these positions, \$229,000 for additional overtime expense was included in the FY 2001 Budget specifically for directed patrols in peak call load months, which are July through September. Matching funds were designated in FY 2001 to continue ten SAFFE officer positions from the FY 2000 Department of Justice Universal Hiring Program (UHP) grant, and additional funds were provided as match for ten more SAFFE positions in an FY 2001 UHP grant.

In June 2001, the Police Department presented to the Council the 2001 Rolling Police Staffing Plan. The 2001 Plan was presented in the context of rising property and violent crime rates along with projections of unusual numbers of police officer retirements leaving potential gaps in police staffing. The department pointed out that violent crimes (homicide, robbery, sexual assault and aggravated assault) are projected to rise by 22.5% in 2001 over 2000. Property crimes (burglary, larceny and vehicle theft) are expected to rise by 15.3% in FY 2001. Additionally, as a consequence of recent, more lucrative changes to the police officers and firefighters pension system, the department projects from 80 to 100 police officers leaving in FY 2002 as opposed to the 40 to 45 officers leaving per year that have occurred historically. In response to these challenges and to continue progress toward the objectives set out in the 2000 Staffing Plan, the

2001 Plan proposed the redeployment of 72 existing police officer positions, the addition of 265 new sworn police positions, and the addition of 20 civilian support positions over the next five years (from FY 2002 through FY 2006) at a total cost of \$45 million. With implementation of the 2001 Plan, the PAF would be expected to range on average between 42.00% and 44.89% per year over the next five years.

This concept of redeployment in combination with additional resources is key to the effectiveness of the 2001 Plan. Specifically, the concept moves more police officers into patrol duties to directly address increasing crime rates by increasing the PAF while minimizing the impact of the rising number of anticipated vacancies from retirements. Of the 72 positions proposed to be redeployed, 40 would be expected to come from the San Antonio Fear Free Environment Program (SAFFE), 27 from the Street Crimes Arrest Teams (SCAT), and five positions from separate administrative units of the department. There are currently 113 SAFFE officers – with the proposed redeployment, 73 would remain to maintain the effectiveness of the SAFFE program within the community. Under the 2001 Plan, however, 40 experienced SAFFE officers and 27 experienced SCAT officers are moved directly into the field improving patrol availability and significantly enhancing the department's ability to address rising crime.

For FY 2002, first year implementation of the 2001 Rolling Staffing Plan will require the redeployment of 72 police officers, and the addition of 27 uniformed and ten civilian positions at a cost of \$1.2 million. Since the 2001 Plan was presented in June, the Police Department has re-examined its first year recommendations. The department has concluded that the 2001 Plan's objective of a 44.89% PAF in FY 2002 can still be achieved with a reduced number of redeployed SAAFE officers (29 instead of 40) and with 24 new added police officer positions as opposed to 27 added positions as originally recommended. To offset the effect of redeploying 29 officers from SAFFE as opposed to the original 40, the department will be implementing differential police response (DPR) for private property accidents and selected thefts under \$50 ("beer" and "gas" drive off thefts) effective October 1, 2001. Officers will not respond to these calls for service, and citizens' calls will be automatically referred to a call expeditor who will take a telephonic police report. It is estimated that the time saved annually by initiating this procedure is equivalent to 11 officer positions.

The Police Department's adjustments to the first year implementation of the Rolling Staffing Plan result in a lower cost in the first year. The Adopted Budget reflects the modified plan totaling **\$1.06 million** for first year implementation of the 2001 Rolling Staffing Plan. The specific components of the Adopted Budget's first year implementation include:

- Redeploy 29 SAFFE officers to patrol units. A total of 84 officers will remain in the SAFFE program allowing it to retain its effectiveness in the community. Furthermore, the SAFFE program will be augmented next year through an improvement that significantly increases interdepartmental cooperation with the Code Compliance Department. Specifically, in Code Compliance, the FY 2002 Adopted Budget will redeploy four existing positions and add eight new positions for a total of 12 Code Enforcement Officer positions that will be dedicated to working in daily cooperation with SAFFE officers in addressing neighborhood blight conditions that contribute to criminal activity. Under this improvement, the 12 Code Enforcement Officer positions will be housed out of existing Police substations to ensure maximum cooperation with SAFFE officers. This improvement to Code Compliance is discussed in more detail in the Housing & Neighborhood Planning Council Budget Priority section.
- Redeploy 27 SCAT officers to patrol units
- Redeploy five officers from administrative units to patrol units
- Add 24 new sworn police officer positions. Of the 24 new positions, eight will be directed to patrol units. The remaining 16 new positions will be allocated as indicated in the 2001 Rolling Staffing Plan to the following investigative units as indicated: two to Narcotics, three to the Integrity Unit, three to the Repeat Offenders Program, two to the Financial Crimes Unit and six to Property Crimes. The 2001 Rolling Staffing Plan recommended the added resources in these units because crime trends point to increased workloads in the crime categories addressed by the units.
- Add 10 civilian positions to provide essential support to police operations. The added positions include four Secretary II positions, two Office Assistant positions, three Administrative Assistant I positions and one Management Analyst position.



In summary, under the Adopted Budget, through a combination of redeployments and added new positions, 69 officers will be directed into patrol activities and 16 will be added to investigative units that address high priority criminal activities. With the redeployment and added positions, a PAF of 44.89% can still be achieved in FY 2002, consistent with the objectives of the 2001 Rolling Staffing Plan.

**Other Police Improvements.** The Adopted Budget also contains \$531,327 in additional mandated grant match expenditures and \$305,465 in mandated expenses to operate and maintain projects supported by the 1999 General Obligation Bond Program.

- Universal Hiring Program Grant Matches - \$256,971 in grant matches for the 30 additional police officer positions added under this program in FY 1999, FY 2000 and FY 2001, ten in each year respectively.
- COPS MORE Grant Match - \$163,926 in additional funds needed to fully absorb 11 expediter positions that were originally funded by the COPS MORE grant into the General Fund.
- Local Law Enforcement Block Grant Match (LLEBG) - \$110,700 to fund the operating expenditures associated with equipment (20 police vehicles) purchased with FY 2000 LLEBG funds.
- Public Safety Integrated Technology System (PSITS) - \$266,465 to operate and maintain 200 additional Field Entry Reporting System (FERS) units being installed in FY 2002. These units are part of the overall PSITS that will provide a comprehensive information management system to increase police officer and detective effectiveness while enhancing customer service. Acquisition of this system is supported with funds authorized by the 1999 General Obligation Bond Program. The FERS units will enable officers to enter reports from the field via wireless modem. Other PSITS components will provide for more efficient filing and retrieval of the field-generated data. A total of 200 FERS units are being installed in FY 2001. After 200 more are installed in FY 2002, 400 remain to be acquired and installed beyond FY 2002 bringing the total of FERS units deployed to 800.
- Police Substation Expansion Operation – \$39,000 to operate and maintain the expansions made to the North, West and South Police Substations. The expansions to the substations were supported with funds authorized by the 1999 General Obligation Bond Program.

**Fire Rolling Master Plan.** As the City continues to grow, the Fire Department's focus will remain on strategic planning efforts to ensure that adequate staffing, facilities, equipment and training are available to provide consistent levels of fire services throughout the City. In April 1997, the Fire Department was directed by City Council to obtain community input on certain issues of the master plan through a process of community presentations. With guidance from City Council, input from the community and Fire Department staff, the Fire Department developed the Rolling Five-Year Fire Master Plan. The Rolling Five-Year Fire Master Plan, presented to the City Council in June 2001, is an indication of the department's continuous efforts to provide the highest levels of service to the community. Since the Fire Master Plan has now become a rolling plan, the Fire Department receives input on an annual basis from staff and the citizens of San Antonio. In doing so, the department will be able to analyze trends, review community input and update its recommendations on an annual basis.

The Adopted Budget includes **\$2.03 million** in improvements to continue implementation of the Fire Master Plan. These improvements include:

- Add One Full-Time Emergency Medical Services (EMS) Unit - \$499,248. This improvement will add 12 full-time paramedic positions for three months. One time costs include the acquisition of an ambulance and associated equipment. The full year recurring cost for this improvement beginning in FY 2003 is projected at \$1.08 million. This improvement will bring the number of full-time EMS units from 25 to 26.
- Replace Four Pumpers, One Ladder Truck and One HazMat Vehicle with Lease-Purchase - \$366,981. This improvement will provide six months of the first year lease-purchase funding to replace six fire apparatus (payments over five years) - four pumpers, one ladder truck, and one HazMat Vehicle. The Master Plan's goal is to replace all pumpers over 16 years old and all ladders over 18 years old.

- Replace Mobile Data Terminals with Cellular Digital Packet Data (CDPD) Laptops - \$92,102. This improvement will replace 40 MDT's in fire vehicles with portable CDPD laptop computers with lease-purchase funding with payments over three years. Included in cost is operational support funding. The Master Plan calls for the purchase of 120 CDPD laptop computers over a three-year period (40 units already acquired in FY 2000, 40 already acquired in FY 2001, and 40 in FY 2002).
- Add Two First Responder Vans - \$59,018. This represents Phase Three of a Master Plan program that will add eight first responder vans to the Fire Department fleet over a three year period: four vans in FY 2000 (Phase One - implemented with the FY 2000 Adopted Budget), two vans in FY 2001 (Phase Two – implemented with the FY 2001 Adopted Budget), and two vans in FY 2002 (Phase Three). This program will increase the total first responder fleet to eighteen vans. First responder vans are used to provide cost effective emergency medical assistance for patient basic life support while allowing regular fire apparatus to remain available for calls.
- Add One Special Projects Coordinator as Safety Officer - \$44,787. This will add one Special Projects Coordinator position for three months. The position will act as a Safety Officer and will ensure compliance of protective clothing procedures and maintain contact with incident commanders during ongoing firefighting responses.
- Enhance Two Personnel Investigators - \$50,019. This improvement places two civilian personnel in positions currently filled by uniformed personnel temporarily detailed to perform the Applicant Processing function with three months funding. Specifically, the improvement will add two civilian personnel investigator positions in the Fire Department's Applicant Processing Section allowing two uniformed personnel to be returned to regular assignments in the Firefighting Division. This improvement will permit an offsetting \$88,568 reduction in overtime.
- Add One Senior GIS Analyst - \$39,277. This improvement adds one Senior GIS Analyst position for three months. The position will prepare locator maps for Firefighting and EMS units, map materials for future updates to the Rolling Master Plan and other GIS materials as needed. With this improvement, uniformed personnel now performing GIS functions can be deployed back into the field. This improvement will permit an offsetting \$10,000 reduction in overtime expenses.
- Add One Building Maintenance Officer - \$31,210. This will add one Building Maintenance Officer funded for three months. This position will assist the Fire Department's Facilities Coordinator with work requests, site visits to fire stations to check for maintenance problems, and coordinate with the Public Works Department on fire station projects.
- Add ten 12 Lead Electrocardiogram (EKG) Devices - \$229,906. This improvement represents the first year of a four-year program to acquire and install a total of 40 EKG devices with 12 leads for all active and spare EMS units. In FY 2002, ten devices will be acquired. Since 1974, the City has used 3 lead EKG devices. The new devices provide paramedics with more precise information about a patient's cardiovascular system and will enable more timely and effective emergency care.
- Implement 2<sup>nd</sup> Year of Ladder Truck Buy-In Program - \$615,000. The Fire Master Plan recommended in FY 2001 that funds be set aside over a period of years to build up resources for the eventual replacement of 11 ladder trucks from FY 2006 through FY 2009. Eleven trucks purchased in FY 1988 are scheduled to be replaced in FY 2006, under the normal timeframe for ladder truck replacement. No replacement funds have been allocated in the vehicle replacement fund for the 11 trucks. In FY 2001, \$615,000 was set aside as the first year's contribution. The amount of funds that will be set aside in FY 2002 is equivalent to the value of one replacement ladder truck, representing the second year of the funding set aside proposal. The Master Plan recommended that \$615,000 be set aside each year in FY 2001 through FY 2005. Continued funding of this program through FY 2005 will provide replacement funds needed to purchase five trucks in FY 2006. The Master Plan proposes that one-time resources be found in FY 2006 to acquire two additional trucks (over the five acquired with set-aside funds) with the remaining four trucks to be acquired over the subsequent three years, FY 2007 through FY 2009.

**Park Rangers Operations & Performance Review.** The amount of \$1 million is set aside in the Adopted Budget for implementation of improvements related to the Park Rangers Division of the Parks & Recreation Department. Specifically, these funds will be set aside to implement in FY 2002 the final results of the operations and performance review of the Park Rangers Division.

Park Rangers have responsibilities that include customer service, park resource protection, and law enforcement. Additionally, Rangers are a key source of information to the Parks Department concerning on-site parks maintenance needs. The Park system is also undergoing a period of significant expansion. Ongoing property acquisitions using Proposition Three and bond program resources will eventually double the Park system's total acreage. The properties being acquired will have widely varying levels of development (e.g. developed urban parks vs. large natural open spaces) that will present challenges to the current Park security system. To assist in evaluating the Parks Department's security and law enforcement requirements, a Police Captain from the San Antonio Police Department will be temporarily assigned in FY 2002 as an advisor to address concerns in the Park Rangers Division. The Police Captain will evaluate and improve the following law enforcement aspects of the Park Rangers Division:

- Customer service
- Identify and coordinate necessary training needs
- Leadership development
- Efficient patrol deployment
- Revised Standard Operating Procedures
- Standard levels of service to different types of parks
- Proper supervision structure
- Dispatch/patrol procedures
- Data management
- Coordination of public safety efforts at City's parks with the Police Department
- Accountability system

The Police Captain's recommendations will be coupled with the findings of the ongoing performance review in coordination with the Parks & Recreation Department. Adjustments to salary levels for Park Rangers will be recommended as part of the review's findings. Funding to support the salary adjustments is included as part of the \$1 million set aside for implementation of the performance review's recommendations.

**Municipal Courts Improvements.** The Adopted Budget includes \$536,750 in enhancements and mandated expenditures to improve operation of the City's Municipal Courts system.

- Complete the Document Imaging System - \$380,683. This improvement will provide funding to complete the Document Imaging System project that was initiated in FY 2000. Funds to support the development of this system come the Municipal Courts Technology Fee. The system will allow for court documents to be electronically scanned into computers rather than having the information manually entered. The system will be able to quickly recall any case and provide visual reproductions of all documents pertaining to a given case.
- Add One Programmer Analyst for Document Imaging System Support – \$46,467. This will add one Programmer Analyst II position for nine months to support the Document Imaging System. The cost of this improvement will be offset by a \$64,600 reduction in the Municipal Court budget representing the value of the current contractual support arrangement.
- Add Nine Positions for Extended Court Hours - \$23,615. This improvement add nine part-time positions for three months to allow the Courts to extend Municipal Court hours until 8:00 pm on three nights each week. The positions will include one Judge, two Court Officers, two Administrative Aides, two Office Assistants and two Court Clerks.
- Add One Additional Courtroom - \$84,600. This mandated one-time expense provides funding for the construction of an additional courtroom to accommodate the new court which was created as a mid-year budget adjustment in FY 2001.

## ◆ TIER TWO – HUMAN DEVELOPMENT

The implementation of human development strategies will continue to be a high priority for the City. Human Development issues include implementation of the Better Jobs initiative, encouragement of family strengthening, support to early childhood development, providing health care-related programs, improving the availability of educational opportunities, and caring for senior citizens. The Adopted Budget includes \$3.4 million for improvements related to the Better Jobs Initiative, establishment of a Quality Assurance Team to provide for more human development services programmatic accountability, increased efficiencies in the provision of nutrition services to seniors, increased contribution to the Senior Nutrition Program, operation of a new multiservice center, enhanced safety in the administration of immunizations, and a challenge contribution for family strengthening and increased elderly and disabled services..

**Better Jobs Initiative.** Better Jobs emphasizes workforce development programs that will build the community's human capital through strategic investments and coordination to create a highly skilled workforce, at the same time, emphasizing higher standards and accountability. Better Jobs links partners in support of parents and the community, quality early childhood education, education enrichment, job training, and employers. The FY 2002 Budget includes **\$1.77 million** in improvements consistent with the goals of the Better Jobs Initiative.

- Increase Contribution to Project Quest - \$450,000. The Adopted Budget will add \$450,000 to the City's contribution to Project Quest bringing the General Fund total contribution for Project Quest to \$3.0 million. The City's contribution to Project Quest from all fund sources would total \$3.9 million.
- The Adopted Budget adds \$650,000 in scholarship expenditures. In FY 2001, \$650,000 was added as a one-time improvement for the San Antonio Education Partnership. This will be established as a recurring expenditure beginning in FY 2002. This improvement provides scholarship funds at five high schools. The total General Fund budget for support to the Education Partnership in FY 2002 is \$1.362 million
- Kindergarten Readiness Curriculum Development - \$60,000. This improvement will provide funds for professional services to develop curricula for use by schools to implement the Better Jobs Kindergarten Readiness Guidelines.
- Add One Economic Development Coordinator for Workforce Development and Support to San Antonio, Inc. Initiative - \$54,054. This improvement will add one Economic Development Coordinator position for nine months in the Economic Development Department to develop and oversee the department's workforce development program, coordinate on Better Jobs Initiative issues and serve as the coordinating focal point for the San Antonio, Inc. initiative. As recommended in the Strategic Plan for Enhanced Economic Development, presented to Council in May 2001, San Antonio, Inc. will be a new public/private partnership designed to bring together the City's 38 separate economic development organizations under one coordinating umbrella group. This improvement is consistent with the Better Jobs Performance Review.
- Add Two Senior Management Analysts for Better Jobs Quality Assurance - \$48,325. This will add two Senior Management Analyst positions to the Better Jobs Office to provide an accountability mechanism for performance measure achievement by Better Jobs programs. This improvement is consistent with the Better Jobs Performance Review.
- Provide Funding for May 2002 Better Jobs Sales Tax Election - \$460,000. This improvement sets aside resources to conduct an election to obtain voter consideration of a proposal to assess a sales tax to provide revenues to support Better Jobs-related programs.
- The After School Challenge Program will continue working toward improving the quality of its services during FY 2002. Self-Monitoring Standards approved by City Council in June 2001 will be implemented to ensure compliance with state regulations. Surveys of parents, staff and students participating in the program will be conducted to measure program quality and to compare with results from previous years. The program will continue to operate at 157 sites serving over 28,900 students in FY 2002. The total adopted General Fund budget for support to the After School Program is \$4.179 million in FY 2002.
- The Brooks Challenger Program will offer exposure to aspects of astronaut training to middle school

students. This program seeks to motivate students to consider training for careers in the aerospace field, which specifically encourages an emphasis in math and science. The total one-time General Fund contribution in FY 2002 will be \$50,000.

**Quality Assurance Unit.** The Adopted Budget will transfer three positions from the Community Initiatives Department to establish a Quality Assurance Unit within the City Manager's Office. The unit will conduct quality assurance reviews of Community Initiatives Department grants and delegate agency contracts. The unit will increase accountability in the areas of program management and attainment of grant program/delegate agency goals. The establishment of the unit is consistent with the recommendations of the Better Jobs Performance Review.

**Senior Nutrition Services.** The Adopted Budget includes two improvements to the Senior Nutrition Program totaling \$782,620

- The amount of \$755,061 will be added to the General Fund transfer to the Senior Nutrition Program to make up for a shortfall in the level of grant funding from the state and to help address the significantly rising costs of providing meals to senior citizens. In FY 2000, 1.066 million meals were served at a cost of \$3.64 per meal – in FY 2001 it is estimated that the cost per meal will rise by 20% to \$4.40 per meal allowing only 973,993 meals to be served. For FY 2002, the cost per meal is projected to increase further to \$4.62. The rising costs are attributable to the rising costs of food and fuel for transportation of meals from kitchens to nutrition centers where meals are served. The City has been notified that it will receive \$212,969 less for the Senior Nutrition Program from the Texas Department on Aging (through AACOG). Without an increase in funding for the program, the number of meals to be served in FY 2002 will decline to 780,182. The increased level of funding will provide an amount of meals served equivalent to the FY 2001 level of service – over 970,000 meals.
- The amount of \$27,559 will be added to establish a consolidated Senior Nutrition Program kitchen in an existing building on Fort Sam Houston. An analysis of the Senior Nutrition Program in 2000 recommended the creation of a more centralized senior nutrition meal preparation and distribution system. This improvement will support the one-time expenses associated with consolidating the cooking operations of seven existing nutrition site kitchens into one kitchen at Fort Sam Houston. Based upon a November 2001 completion date, this improvement is expected to yield a projected savings of \$28,360 which when rolled back into the Senior Nutrition Program.

In summary, with these two improvements, the City will increase its General Fund contribution to the Senior Nutrition Program by \$782,620, raising the overall contribution by 40% from \$1.89 million in FY 2001 to \$2.645 million in FY 2002.

**Southside Multiservice Center.** Included in the Adopted Budget is a mandated improvement to operate the new Southside Multiservice Center beginning in March 2002. Specifically, the addition of an Assistant Multiservice Center Supervisor position and a Building Custodian position, each for seven months, at a cost of \$67,966 is included in the Adopted Budget. The new Center will improve the accessibility and delivery of social and human development services for residents in the southwest sector of the community. The following services are slated to be provided out of the new Center: the Community Initiatives Department will provide emergency assistance services, pregnancy prevention (Project WORTH) services, youth diversion services, and child-care management services; the Code Compliance Department will use the Center as a point for citizens to file code enforcement complaints; and the San Antonio Housing Authority (SAHA) will coordinate Section 8 Housing services affecting the area.

**Hypodermic Needle Safety.** The Adopted Budget includes as a mandated expenditure \$110,863 for the Health Department to meet new state-mandated safety requirements for hypodermic needles used in the administration of the City's immunization programs.

**Establishment of Council District Human Development Services Fund.** The FY 2002 Budget will transfer the funds previously budgeted in the Community Initiatives Department for the Council District senior services program to a separate activity to support a wider range of human development services. The Adopted Budget increases the \$300,000 budget to \$700,000 (\$70,000 for each district). In addition to senior services, the funds can now be used for other public purposes such as scholarship programs, childcare programs, youth services programs or training programs.

**Family Strengthening.** The FY 2002 Adopted Budget will increase the City's \$27,209 contribution to Respite Care by \$30,000 for a total of \$57,209. This is contribution assist Respite Care in providing emergency shelter for disabled and homeless children.

**Elderly & Disabled Services.** The FY 2002 Adopted Budget will provide a challenge contribution for \$15,000 to Project MEND. Project MEND provides low and moderate income disabled persons access to medical equipment and supplies. Project MEND solicits repairs and maintains an extensive inventory of donated medical equipment such as wheelchairs, hospital beds, walkers and crutches.

#### ◆ TIER TWO - CHARTER REVIEW/GOVERNANCE

The Adopted Budget will add \$1.2 million in improvements related to the Charter Review and Governance budget priority. The category includes issues such as the City governance structure as defined by the City Charter, implementation of performance review of City functional areas and support to the work of Council committees

**Charter Election.** The Adopted Budget contains \$268,000 as an improvement to hold an election in November 2001 to seek voter approval of revisions to the City Charter currently under review by the City Council.

**Business Contract Management Process & City Attorney's Office Performance Review.** In August 2000, the City Council approved the selection of an independent project team lead by the consulting firm of DMG-MAXIMUS, Inc. to conduct an independent review of the City Attorney's Office (CAO) and the City's management of business contracts. The comprehensive review was an effort to improve the efficiency and effectiveness of current operations and procedures by the City Attorney's Office and the City's management of business contracts. As a result of its review, the consultant team proposed various strategies outlined below which center on the effectiveness and efficiency of the City's overall business contract process as well as the City Attorney's Office.

➤ City Attorney's Office. To address the management issues found during the course of the review, the following seven strategies were recommended:

- Enhance the stature of the legal function and design and implement a strong client service model;
- Establish a service-oriented organizational structure;
- Develop a service-oriented staffing model;
- Attract and retain outstanding lawyers and paralegals;
- Enhance performance, supervision and training;
- Improve the management and utilization of support resources; and
- Improve the management of outside legal services.

➤ Business Contract Management. To make improvements to the City's contract management processes on a citywide basis, the following six strategies were recommended:

- Establish a central business contract support unit;
- Establish citywide business contract management standards;
- Implement a structured planning and solicitation process for business contracts;
- Streamline the business contract negotiation and approval process;

- Institute more rigorous business contract monitoring practices; and
- Expand and enhance business contract management technology

The final report was presented to the City Council in May 2001. At that time, City staff presented immediate action steps to be taken in the current fiscal year to begin implementing the consultant team's recommendations. The action steps taken to date include creation of a business contract improvement team (BCIT) made up of City staff that builds upon the organization's strengths and help immediately define the role of the contracts services unit. The Asset Management Department has been working with the BCIT and the Information Technology Services Department on designing and implementing a Contracts Management Database. In addition, in-house training for 200 contract monitors throughout the City organization occurred in late July and early August of this year.

Additionally, in late May 2001, City Council approved the creation of the Contracts Management Division in the Asset Management Department and authorized the position of Special Project Manager to lead the newly formed Contract Services Unit. In addition, Council authorized the newly created position of Legal Administrator in the City Attorney's Office.

To continue implementation of the overall performance review the FY 2002 Adopted Budget includes a combined \$936,280 in further improvements in the City Attorney's Office and the Asset Management Department.

With respect to the City Attorney's Office component of the performance review's recommendations, the Adopted Budget contains \$486,704 in improvements for FY 2002.

- Add one Deputy City Attorney position for six months - \$50,845.
- Add four Assistant City Attorney IV positions, two for six months and two for three months - \$145,858.
- Add three Paralegal support positions, one for six months and two for three months - \$58,373.
- Increase continuing legal education allocations from \$350 to \$750 per attorney - \$17,200.
- Provide funding for attorney salary range regrades and position reclassifications - \$214,428

For the Asset Management Department, the Adopted Budget includes \$449,576 in added resources for FY 2002 to complete the creation of the Contracts Management Division in accordance with the Contracts Management Process portion of the performance review. Specifically, the improvement includes the addition of four Special Project Coordinator positions (two at twelve months and two at three months) and one Senior Administrative Assistant position for 12 months.

**Administrative Support for City Council Committees.** The Adopted Budget includes \$25,000 to add one Administrative Assistant II position to the Special Projects Office for six months to provide dedicated administrative support to the operation of the various committees of the City Council.

## ◆ TIER TWO - ENVIRONMENT

Included in the Adopted Budget is \$398,531 in improvements addressing issues affecting the environment. Specifically, the improvements include addressing public health concerns over environmental contamination in and around Kelly AFB, establishing a San Antonio Metropolitan Energy Partnership, and addressing state groundwater testing requirements.

**Environmental Health Clinical Services Program.** The Adopted Budget includes \$286,531 to continue to expand an environmental health clinic at the Las Palmas Public Health Clinic to perform health assessments of persons who may be adversely impacted from living or working over the plume of chemical contamination in and around Kelly AFB. Specifically, this improvement will staff the clinic with six positions at nine months – one Health Program Manager, one Special Projects Coordinator, two Administrative Aides, and one Senior Public Health Nurse Supervisor. Currently, staff has been moved from other sites to expand services. A portion of the cost of the clinic will be offset by \$102,265 in grant funds from the U.S. Department of Defense. Further reimbursement for future health care expenses related to the contamination in and around Kelly AFB will continue to be sought.

**San Antonio Metropolitan Energy Partnership.** The Adopted Budget will contribute \$100,000 toward the establishment of the San Antonio Metropolitan Energy Partnership. The purpose of the group is to increase public awareness and improve cooperation among public entities on energy issues. The Partnership will involve participation from the City, the County, CPS, Alamo Area Council of Governments, Council of Suburban Mayors, Metropolitan Planning Organization, VIA and Solar San Antonio. The City's contribution represents one-third of the \$300,000 first year operating cost of the Collaborative with CPS picking up 50% and the County picking up 16.7% of the costs.

**Groundwater Sampling Funding.** This mandated expenditure of \$12,000 will provide resources to the Parks & Recreation Department for the sampling required by the state of groundwater in Brackenridge Park in the vicinity of previously existing underground fuel storage tanks. The funding will support professional testing a cost of \$3,000 four times per year.

#### ◆ TIER TWO - UNIFIED DEVELOPMENT CODE IMPLEMENTATION

In May 2001, the City Council adopted a major revision to the Unified Development Code (UDC). The UDC is that portion of the Municipal Code that governs land development for the City and its Extraterritorial Jurisdiction (ETJ). The old UDC was a compilation of ordinances and amendments that have been adopted over the past sixty years. Due to its age and the number of amendments, the old UDC evolved into a document that was not well organized, had areas of potential conflict, and was difficult to read.

The revised UDC required over two years of development in close coordination with neighborhood groups, developers, City staff and other stakeholder groups through numerous public meetings. The intent of the new UDC is to encourage more inner City development, encourage more infill development, discourage urban sprawl, utilize smart growth principles, incorporate more public involvement in the development process, protect and preserve older neighborhoods, provide for certainty in development process, and improve efficiency in administration and processing of development permits. The revised UDC includes significant and new requirements to include mandated timelines for development and design reviews and increased public notification requirements. The added requirement necessitates the addition of 35 staff positions (26 in the General Fund and 8 in the Stormwater Regional Facilities Fund) to ensure efficient and timely implementation and enforcement. The FY 2002 Adopted Budget includes \$951,574 in improvements for implementation of the revised UDC. Specifically, improvements are for the following departments: Development Services (\$638,975), Planning (\$74,139), Parks & Recreation (\$105,194), Code Compliance (\$42,704), and City Attorney (\$90,562). The full year cost of these improvements in FY 2003 is \$1.25 million.

**Development Services.** A total of 21 positions and \$638,975 are added as improvements for UDC implementation in the Development Services Department for FY 2002. The second year cost in FY 2003 for these improvements after full implementation of staffing and equipment is estimated to be \$829,553.

- Three Positions for Subdivision Platting - \$113,592. Add two Planner II positions and one Office Assistant position for nine months. These positions will assist current staff in meeting the revised UDC's requirement that minor plats be reviewed for completeness within five days and major plats be reviewed for completeness within ten days.
- Two Positions for Development Drainage Review - \$64,533. Add one Senior Engineering Technician and one Engineering Technician for nine months. These positions will perform technical analysis of drainage studies submitted within subdivision plat or commercial development projects to ensure compliance with the more stringent standards in the revised UDC.
- Three Positions for Mechanical/Electrical/Plumbing Review - \$105,166. Add three Plans Examiner II positions for nine months to achieve an improved and streamlined plan review process to meet the requirements of the revised UDC.
- Two Positions for Inspections - \$98,602. Add one Tree Preservation Inspector position for three months and one Building Inspector position for nine months. These positions will provide the



additional support necessary to ensure that all inspections for commercial projects and street tree installations are compliant with the stricter requirements of the revised UDC.

- Two Positions for Building Permit Review - \$70,270. Add one Engineer position and one Engineering Technician position for nine months. These positions will assist the engineering division in the review of building permit applicants to ensure compliance with the revised UDC.
- Three Positions for Zoning - \$77,957. Add One Senior Planner position for nine months, one Planner II for three months and one Sr. Administrative Assistant position for three months. These positions will be used to calculate and track density bonuses provided for in the revised UDC for affordable housing and open space; to coordinate the new UDC zoning case sign notification requirement; to conduct completeness reviews on zoning applications within the UDC-required two days; to coordinate with the Planning Commission for zoning cases inconsistent with neighborhood plans; and to be proactive in rezoning properties that become non-conforming as a result of the conversion to the new UDC.
- One Position for Board of Adjustment Support. Add one Planner I position with no funding to assist current staff in meeting the increased demand for Board of Adjustment actions anticipated from the revised UDC. The position is unfunded and will be filled if the demand for increased activity increases significantly. If the demand warrants, the resulting added revenue from increased application activity will offset the costs of the position.
- One Position for Building Plan Review - \$16,146. Add one Plans Examiner II position for three months. This position will handle increased review requirements stemming from the revised UDC.
- One Position for Landscape/Tree Plans Review - \$25,767. Add one Plans Examiner II position for six months. This position will act as a Landscape/Tree Plans Examiner to assist current staff in reviewing commercial plans and street design for street trees based upon the more stringent requirements of the revised UDC.
- Two Positions for Subdivision Coordination - \$53,778. Add two Engineering Technician positions for nine months to assist current staff in coordinating the more comprehensive completeness review process required by the revised UDC.
- One Position for Administrative Support - \$13,164. Add one Administrative Assistant I position for three months to assist in administering the new performance standards associated with the revised UDC.
- Redirect \$15,209 in existing resources to provide training to members of the Zoning Commission and the Planning Commission on the provisions of the revised UDC.

**Planning.** The Adopted Budget contains \$74,139 in improvements and two additional positions associated with implementation of the revised UDC in the Planning Department for FY 2002. The second year cost in FY 2003 for these improvements after full implementation of staffing and equipment is estimated to be \$104,435.

- One Position for Historic Preservation - \$24,796. Add one Planner II position for six months to be responsible for the administrative and Historic Design Review Board review of historic-related development applications arising from within the revised UDC-authorized additional Riverwalk overlay districts.
- One Position for Neighborhood Planning - \$49,343. Add one Planner II position for six months to develop formal neighborhood plan updates as required by the revised UDC.

**Parks & Recreation.** Included in the Adopted Budget is \$105,194 and one position to meet the requirements of the revised UDC for the Parks Department in FY 2002. The second year cost in FY 2003 for these improvements after full implementation is estimated to be at \$104,435.

- One Position for Parks Planning - \$37,694. Add One Sr. Planner position for nine months. This position will review subdivision plans for compliance with the park dedication requirements contained in the revised UDC.
- Maintenance of Dedicated Parks - \$67,500. Add funding to support additional maintenance requirements arising from new parkland anticipated to be added to the City's inventory in FY 2002 as a result of the park dedication requirements contained in the revised UDC.

**Code Compliance.** The Adopted Budget includes \$42,704 to add one Code Compliance Investigator position for three months to address the additional caseload anticipated from implementation of the revised UDC. The full year cost of this improvement in FY 2003 is \$133,266.

**City Attorney.** The amount of \$90,562 in the Adopted Budget will add one Assistant City Attorney III position and one Paralegal position, each for nine months. These positions are needed to address the significantly increased number of legal issues expected to arise from implementation of the revised UDC. The full year cost of this improvement in FY 2003 is \$110,602.

As part of Adopted Budget for the Stormwater Regional Facilities Fund, the amount of \$215,969 is set aside for drainage development services improvements required to implement the revised Unified Development Code (UDC). The revised UDC requires that the City provide guidance to developers on how their developments will impact the overall projected stormwater runoff flow in a given watershed. The Adopted Budget will add eight positions to the Stormwater Engineering section of the Public Works Department (funded for six months) to meet this requirement. The added positions will include: two Engineer positions, two Engineer Associate positions, three Engineering Technician positions, and one Administrative Assistant I position. The full year cost of this improvement is \$267,508 in FY 2003.

### ◆ TIER THREE – CUSTOMER SERVICE

The Customer Service budget priority includes issues such as developing a more customer service-oriented approach in City employees in their daily interactions with citizens, maintaining a competitive workforce compensation structure, and upgrading the technologies that support the provision of services to the community. With respect to employee compensation, the Adopted Budget contains several workforce-related issues that will be discussed in detail in the City Employee Perspective Section of the Executive Summary. With respect to customer service and the upgrade of technologies, the Adopted Budget includes \$56,227 in improvements:

- Increase funding for printing and reproduction by \$12,961 to disseminate to employees information concerning the “Customer First” initiative. On an organization-wide basis, the Customer First Program works to instill in each City employee a customer first perspective that places the needs of individual citizens foremost in their daily work. The program also seeks to obtain individual, written commitments from City employees to rededicate themselves toward the objectives of a customer first service approach.
- Add one position to the Development Services Department to serve as the primary liaison between the department and the Enterprise Resource Management (ERM) system development project at a nine-month cost of \$43,266. This improvement will add one Special Projects Coordinator position that will be dedicated to facilitating the development of the land management component of the ERM. The ERM system is being developed in a multi-year effort to include ultimately new applications benefiting the entire City organization such as financial management, human resources management, land management and customer relationship management, and to provide easy access to historical data. The land management component will greatly improve the City’s responsiveness in the data-intensive land development services process. The cost of the position will be charged off to the ERM project.

### ◆ TIER THREE – PARKS & LIBRARIES

The Adopted Budget includes \$1.76 million in improvements and mandated expenditures making enhancements to the City’s parks and library systems.

**Parks & Recreation.** A total of \$1.47 million in enhancements directly related to the City’s parks system are in the Adopted Budget

- Reorganization of the McFarlin Tennis Center - \$130,359. This improvement will add one Tennis Program Coordinator and one Senior Recreation Specialist for nine months. These positions will manage and operate the McFarlin Tennis Center under direct City management as opposed to the

current arrangement under which the Center is operated under contract with a tennis professional. The cost of this improvement will be offset from increased revenues of \$147,535 that would be realized through the City's direct management of the facility.

- Maintenance of Capital Program-Funded Parks Facilities - \$579,356. This mandated improvement will add sixteen positions to maintain 24 parks facilities which are receiving improvements under the 1999 Parks General Obligation Bond program and other capital project funding sources. The following positions will be added at nine months funding: one Equipment Operator II, two Equipment Operator I's, six Maintenance Workers, one Horticulturist II's, four Tree Maintenance Workers, one Landscape Irrigator, and one Plumber Helper.
- Maintenance of Salado Creek and Leon Creek Linear Parks - \$182,084. This mandated improvement adds two Maintenance Worker I, two Maintenance Crew Leader and two Equipment Operator I position for nine months. These positions will maintain Salado Creek Linear Park and Leon Creek Linear Park facilities acquired and developed with resources from the 2000 Proposition Three Sales Tax.
- Maintenance of Edwards Aquifer Recharge Zone Parkland - \$290,889. This mandated improvement will add one Parks Operation Supervisor position for six month, four Maintenance Worker positions for five months and one Parks Naturalist position for six month to maintain parkland acquired over the Edwards Aquifer Recharge Zone using resources from the 2000 Proposition Three Sales Tax. Additionally, \$50,000 will be used in developing a Utilization Plan for the open space lands being acquired by the City with the Proposition Three resources. The cost of this improvement will be offset with the operations and maintenance funding component of the Proposition Three Sales Tax.
- Maintenance of Medina River Area Parkland - \$111,397. This mandated improvement will add one Nature Preserve Coordinator and two Maintenance Worker positions for nine months to maintain the recently acquired parkland in the Medina River Area.
- Enhanced Maintenance of Existing Parks Facilities - \$59,209. This improvement will add funds for additional materials and equipment for increased parks maintenance activities along with seven unfunded positions: one Concrete Finisher, two Maintenance Workers, one Welder, two Tree Maintenance Workers, and one Gardner II. The unfunded nature of the positions gives the department the flexibility of continuously advertising and filling maintenance positions that have been difficult to recruit.
- Rainbow Hills Community Center Operation - \$64,460. This mandated improvement will add one Sr. Community Center Leader position, one Community Center Leader II position, two Community Center Leader I positions, and one Maintenance Worker for three months to operate the Rainbow Hills Community Center. This facility has been constructed with proceeds from the 1999 Parks General Obligation Bond program.

**Library.** The Adopted Budget includes \$291,236 in improvements and mandated expenditures affecting the Library system.

- Operation of New Branch Library - \$97,332. This improvement will add nineteen positions for two months funding to operate the new S.W. Military Drive/Marbach Road Area Branch Library to be built with proceeds from the 1999 Library General Obligation Bond program. The following full-time positions will be added: one Librarian III, two Librarian II's, one Librarian I, one Library Assistant II, one Library Circulation Attendant II, one Library Circulation Attendant I and one Building Custodian. The following part-time positions will be added: one Library Assistant II, one Library Circulation Attendant I, one Library Aide and one Building Custodian. The full year implementation cost for this improvement is \$533,988 for FY 2003.
- Conversion of 12 Part-Time Maintenance Positions to Six Full-Time Positions - \$143,904. This improvement will add six full-time Building Custodian positions for twelve months to be assigned to six branch libraries. This improvement will be offset by a reduction of 12 part-time Building Custodian positions making the net cost to the General Fund only \$33,068.
- Library Resources Base Budget Increase - \$50,000. This improvement will increase the base budget for library resources by \$50,000 bringing the total General Fund contribution to \$2.214 million. The total contribution for library resources in FY 2002 for all funds is \$3.214 million.

## ◆ OTHER PROPOSED IMPROVEMENTS

The Adopted Budget includes four other improvements and mandated expenditures totaling \$266,636.

- Intergovernmental Relations Manager - \$35,382. This improvement will add an Intergovernmental Relations Manager position for six months to the External Relations Department. This position will serve as the division head for the Intergovernmental Relations Division in the department.
- GASB 34 Audit Services - \$150,000. New financial reporting standards mandated by the Governmental Accounting Standards Board (GASB) to be effective in FY 2002 require the Finance Department to implement a new financial reporting framework necessitating implementation assistance services from the City's external auditors.
- Streets Maintenance Disposal Contract Cost Increase - \$26,254. Under the terms of the City's contracts with refuse disposal service providers, the cost of disposing refuse generated from street maintenance operations increases on an annual basis based upon the annual increase in the Consumer Price Index.
- Funds are also set aside in the Adopted Budget for the City to join the CEO's for Cities organization. This national association is an alliance of prominent civic leaders to include local government, corporations, universities, hospitals and community-based organizations. The organization serves as research, policy and data clearinghouse focusing on urban development and technology issues.
- Increase City Council District Contingency Funds - \$55,000. The Adopted Budget increases the Mayor and each Council district contingency allocation from \$15,000 to \$20,000 per district.

## ● Reductions and Redirections

In order to address the \$19.8 million shortfall projected in FY 2002 by the Five-Year Financial Forecast, it is necessary to recommend resource redirections and program reductions in the current level of services provided by the General Fund. To this end, in addition to the \$4.52 million in redeployed uniformed positions discussed in the context of the Police Rolling Staffing Plan, the Adopted Budget contains \$4.40 million in General Fund redirections/reductions to include the elimination of 116 positions, 99 that are vacant and 17 that are filled. The redirections/reductions are described below by department.

**City Attorney** - \$10,000. Reduce the contractual services and commodities budget by \$10,000.

**City Clerk** - \$33,045.

- Reduce printing, publication, mail and contractual services budgets by a total of \$4,000.
- Eliminate one vacant Sr. Records Technician position from the Records Facility for a savings of \$29,045.

**City Manager** - \$10,000. The City Manager's Office will generate savings in the amount of \$10,000 from the management of vacant positions.

**Code Compliance** - \$18,300. Reduce commodities, travel and contractual services budgets by \$18,300.

**Community Initiatives** - \$55,903

- Eliminate one vacant Secretary I position funded for three months in the Literacy Services Division for a savings of \$5,303.
- Eliminate one vacant Office Assistant position in the Youth Services Division for a savings of \$23,988.
- Eliminate one vacant Case Aide position in the Community Action Division for a savings of \$26,612.

**Contributions to Delegate Agencies** - \$129,636. This reduction will decrease the General Fund's contribution to delegate agencies across the board by 1% after taking into account savings realized as a result of agencies that were funded in FY 2001 not applying for funding FY 2002.

**Customer Service & 311 System** - \$9,010. Reduction in contractual services budget.

**Development Services** - \$98,668.

- Eliminate budget for Polaroid film with a savings of \$2,261. The department is currently transitioning to the use of digital cameras.
- Reduce radio communications expenditures by \$9,471. The department uses cellular phones for communication and no longer needs a budget for two-way radios.
- Eliminate budget for outside plan review services with a savings of \$50,000. Previously, the department arranged plan review services with private firms when a customer wished to accelerate plan review by using a private firm. The department pays the private firm directly and obtains reimbursement from the customer. Under this reduction, customers wishing to use outside plan review services will pay the service provider directly.
- Eliminate one vacant Administrative Assistant II position for a savings of \$36,936.

**Economic Development** - \$186,113.

- Keep one vacant Grants Management Officer unfilled during the next fiscal year for a savings of \$52,725.
- Redirect funding support for two positions from General Fund to San Antonio Local Development Corporation (SALDC) Fund and eliminate the General Fund transfer to the fund with a total savings to the General Fund of \$133,388. The two positions are a Fiscal Operations Manager and an Administrative Assistant I. Additionally, \$45,000 in a transfer from the General Fund will be eliminated in FY 2002. The availability to the SALDC of more loan payment revenues serve as an offset to these previous General Fund costs.

**External Relations** - \$3,000. Reduction in contractual services budget.

**Finance** - \$265,133. Redirect portion of funding support for five project management positions working on the Enterprise Resource Management (ERM) software development project from the General Fund to ERM project funds. Specifically, the expenses associated with one Deputy Controller position and two Special Project Coordinator positions will be redirected at 100%; one Special Project Coordinator position will be redirected at 75%; and one Special Project Coordinator position will be redirected at 50%.

**Fire** - \$223,023

- Reduce the department's overtime budget for Applicant Processing by \$88,568. This reduction is enabled by a corresponding Fire Master Plan improvement included in the Adopted Budget that adds two civilian personnel investigator positions for Applicant Processing. As a result, two uniformed personnel will be reassigned from Applicant Processing to firefighting duties.
- Eliminate one vacant civilian Equipment Technician II position assigned to the Services section at a savings of \$34,455.
- Reduce the overtime budget by \$30,000 to reflect savings to be generated through increased coordination with the Police Department in personnel recruiting efforts.
- Reduce automotive repair inventory expenditures associated mainly with the maintenance of Emergency Medical Services (EMS) units by \$70,000. These savings will be achieved through implementation of a new Fleet Management System in FY 2002 that will permit the Fire Department to reduce the inventory of automotive repair facilities needed to remain on hand.

**Health** - \$355,080.

- Eliminate one vacant Senior Sanitarian position in the Food Division at a savings of \$47,589. With this reduction, five Senior Sanitarian positions will remain.
- Eliminate four positions that have been vacant for over one year's time at a savings of \$222,778. Specifically, the elimination of one Dental Hygienist position, one Public Health Aide position, and two Senior Public Health Physician positions is proposed.

- Keep vacant two positions at the West End Health Clinic in FY 2002 at a savings of \$84,713. Specifically, one vacant Senior Public Health Nurse and one vacant Public Health Nurse will be kept vacant.

#### **Human Resources - \$68,224.**

- Eliminate one Secretary II position that has been vacant for over one year's time at a savings of \$25,507.
- Eliminate funding for management training for a savings of \$20,000.
- Redirect a portion of General Fund support (\$22,717) for City-wide employee training to funds set aside for training purposes under an agreement between the City and the Alamo Community College District

**International Affairs - \$10,000.** Reduce travel and printing expenses associated with the Export Leaders Program by \$10,000. Funding support from outside sources will be sought to make up any shortfall realized in the administration of the program.

**Library - \$113,142.** The City will initiate a planning process with the Library Board and the County to examine the feasibility of renovating and expanding the Hertzberg facility as a combined San Antonio/Bexar County historical archive. During the transition of the facility's use, operation of the Hertzberg Circus Museum will be discontinued and six filled positions eliminated in FY 2002 at a cost savings of \$113,142. Two Museum Assistant positions, one Museum Aide position, two Building Custodian positions and one Secretary position will be eliminated. The rare book collection at the Hertzberg will continue to be accessible on a by-appointment basis. The FY 2002 Adopted Capital Budget set aside \$25,000 as the City's contribution to the planning effort.

**Management & Budget - \$34,750.** Redirect a portion of a Senior Budget & Management Analyst's personal services expenses to capital project funds. This position is responsible for preparing the City's Six-Year and Annual Capital Budget and the Facilities Improvement & Maintenance Program (FIMP) budget.

#### **Municipal Court - \$152,956.**

- Reduce expenses associated with the contract that provides nursing services for the Detention Facility by \$75,800. Under the current level of services provided by the contract, one registered nurse and up to two licensed vocational nurses (LVN) are on duty at all times to evaluate public inebriate defendants and to do routine monitoring of the Detention Facility cells. With this reduction, one register nurse will remain on duty at all times, one LVN will be present for ten hours each day during the heaviest defendant loads and one physician would be on call.
- Keep an Assistant Municipal Court Director position vacant in FY 2002 for a savings of \$73,376.
- Reduce expenses associated with postage by \$3,780.

#### **Neighborhood Action - \$31,208.**

- Redirect \$22,208 in funding originally allocated for discontinued NCR projects to contribute to the \$140,000 increase in NCR funding included in the Adopted Budget.
- Reduce contractual services expenses in the Office of the Director by \$9,000.

#### **Parks & Recreation - \$1.33 million.**

- Eliminate 15 positions that have been vacant for more than a year for a savings of \$420,109. Specific positions eliminated include the following: one Building Maintenance Officer, four Community Center Leader I's, one Community Center Supervisor, one Electrician, one Equipment Operator I, one Facilities Operations Coordinator, one Landscape Irrigator, one Maintenance Worker, one Plumber, one Recreation Specialist, one Senior Recreation Specialist and one Swimming Pool Mechanic.

- Redirect four General Fund-supported positions to the San Jose Burial Park Fund for a savings to the General Fund of \$210,026. The Parks Department has determined that all San Jose Cemetery operating expenses can be offset by the San Jose Burial Fund. The positions affected include one Parks Maintenance Crew Leader, one Cemetery Operations Superintendent, one Cemetery Services Crew Leader and one Equipment Operator.
- Redirect the function of Alamodome exterior grounds sanitation to the Alamodome Fund and eliminate four filled positions for a cost savings to the General Fund of \$101,840. The positions impacted include one Maintenance Crew Leader and three Maintenance Workers.
- Redirect the function of Convention Center exterior grounds sanitation to the Hotel/Motel Occupancy Tax Fund and eliminate one filled position for a cost savings of \$23,988 to the General Fund. The position impacted is one Maintenance Worker position.
- Redirect the function of Alamodome and Convention Center landscape maintenance to the Alamodome and Hotel/Motel funds and eliminate four filled positions for a cost savings to the General Fund of \$109,577. The positions impacted include two Gardener I's, one Maintenance Worker and one Equipment Operator II.
- Eliminate 47 seasonal recreational positions for a cost savings of \$172,974. The positions will be vacant as of October 1, 2001. Of the 47 positions that will be eliminated, 30 are connected with summer recreation programs conducted at school sites. Due to conflicting school construction project schedules, sites that would normally have been available will not be in FY 2002. Therefore, the elimination of the 30 summer recreation positions will not adversely impact the delivery of recreation programs in the summer of 2002. The remaining 17 positions that will be eliminated work in the Night Owl basketball program which operates night time basketball activities at 17 sites across the City. Normally, two City staff members oversee activities at each Night Owl site. With this reduction, one position will remain to support each Night Owl site with minimal impact on the program. Included in the total 47 positions that will be eliminated are 29 Recreation Assistants, ten Community Center Leader II's and eight Senior Community Center Leaders.
- Eliminate expenses associated with hiring contracted personnel to conduct recreational classes at Community Centers for a cost savings of \$15,160. City staff will conduct classes lost as a result of the elimination.
- Eliminate funding for Freidrich Wilderness Park Newsletter for a cost savings of \$2,060. Private sponsorships will be sought to cover the newsletter cost.
- Eliminate funding to print the Botanical Gardens Brochure for a cost savings of \$4,000. Private sponsorships will be sought to cover the brochure cost.
- Additional savings will be generated in the amount of \$46,503 from the management of vacant positions.

**Planning - \$41,485.**

- Eliminate one Planner II that has been vacant for over one year's time for a cost savings of \$38,485.
- Reduce postage expenses by \$3,000.

**Police - \$352,969.**

- Reduce \$25,000 in expenditures associated with training ammunition from the Police Academy section. The remaining funding will be sufficient to support ammunition for projected Academy classes next fiscal year.
- Reduce \$40,000 in contractual services and tools & apparatus budgets supporting the SAAFE program. Sufficient funds remain available after the reduction and no negative impact to SAAFE operations is anticipated.
- Reduce \$19,000 in contractual services for outside crime lab work in the Homicide section. Services to be received next fiscal year from Medical Examiner contract are expected to accommodate the additional work needed.
- Reduce \$15,000 in contractual services for the Narcotics section. Federal grant funds will pick-up the corresponding additional costs.

- Reduce \$20,000 in maintenance and repair expenses in the Photo Services Laboratory associated with the Auto Mug Shot system. Costs savings have been realized through a new five-year Auto Mug Shot system maintenance contract.
- Reduce \$32,790 in maintenance and repair expenses in the Identification Unit associated with the Automated Fingerprint Identification System (AFIS). Cost savings have been realized through a new five-year AFIS maintenance agreement.
- Eliminate one vacant Fingerprint Classifier position in the Identification Unit for a cost savings of \$27,755. A total of 13 Fingerprint Classifier positions will remain after the elimination of the position.
- Eliminate one vacant Transportation Inspector II position in the Ground Transportation Unit for a cost savings of \$31,604. A total of four Transportation Inspector II positions will remain after the elimination of the position.
- Eliminate one vacant Office Assistant position in the Vehicle Storage Unit for a cost savings of \$23,984. A total of 25 administrative support personnel will remain in the unit after the elimination of the position.
- Reduce Patrol Overtime expenses by \$6,031. A total of \$387,176 in funds to support Patrol Overtime will remain after the reduction.
- Eliminate one vacant Administrative Assistant I position in the Office of the Chief for a cost savings of \$31,158. One Administrative Assistant I position will remain after the elimination of the position.
- Eliminate one filled Graphics Designer and one filled Administrative Assistant II position in the Research & Planning section for a total cost savings of \$80,647. One remaining administrative support position will remain after the elimination of the position.

**Public Works - \$673,164**

- Eliminate one vacant Administrative Assistant II position in the Traffic Engineering/Traffic Sign Maintenance Section for a cost savings of \$33,959. One remaining administrative support position will remain after the elimination of the position.
- Eliminate three positions that have been vacant for over one year's time for a cost savings of \$112,118. The positions impacted are one Auditor, one Construction Inspector I, and one Construction Inspector II.
- Eliminate one vacant Maintenance Worker position from the Traffic Signal Construction section for a cost savings of \$23,952. Two remaining Maintenance Worker positions will remain after the elimination of the position.
- Eliminate one vacant Engineering Technician position from the Planning Design section of the Traffic Division for a cost savings of \$31,603. A total of 17 Engineering Technician positions will remain after the elimination of the position.
- Eliminate funding for contractual traffic management services for a cost savings of \$50,500. The services that have been provided by a consultant include testing and evaluating emergency traffic signal preemption projects, design phasing for new traffic signals, and analysis of traffic improvement projects through the use of computer simulation models. City staff will perform these services in-house in FY 2002.
- Eliminate eight positions in the Streets Maintenance Division that have been vacant for over one year's time for a cost savings of \$220,710. The positions impacted are one Carpentry Supervisor, three Equipment Operator I's, two Equipment Operator II's, one Maintenance Worker, and one Senior Equipment Operator.
- Reduce \$200,322 in expenditures associated with contractual services, botanical supplies, and maintenance in the Streets Maintenance Division. The cost savings result from more efficient streets maintenance methods of operations without any adverse impact on service delivery.

**Special Projects Office - \$15,320.** Reduce contractual services expenses in support of the Annual Housing Summit by \$15,320. With this reduction, \$85,000 will remain available to support conduct of the meeting with marginal negative impact.



## **FY 2002 OTHER FUNDS**

### **HOTEL/MOTEL TAX FUND**

The Adopted Budget for the Hotel/Motel Tax Fund is \$47.9 million. This Special Revenue Fund supports the Convention & Visitors Bureau, Convention Facilities, International Affairs, Cultural Affairs, outside arts agencies, and other convention/tourist-related activities. The Fund anticipates growth in Hotel/Motel tax collection over the FY 2001 re-estimate at a rate of 5% (\$1.79 million). The Adopted FY 2002 Hotel/Motel Tax projected amount is 2.6% in excess of the Adopted FY 2001 projection. The re-estimated tax revenue for the current year is expected to be \$825,425, or 2.25%, less than the \$36.67 million budgeted. The less-than-expected performance of the tax revenues can be attributed to the downturn in the economy that is affecting the travel industry nationwide. The FY 2002 projection for Hotel/Motel Occupancy Tax revenue is based upon an analysis of anticipated lodging demand, projected average daily room rates, estimated hotel/motel room supply and inflation rates.

The Adopted Budget includes \$1.08 million in improvements for the Convention Facilities Department. Of this amount, \$517,060 will add 90 positions to enhance the quality of services in the expanded Convention Center. The improvements are consistent with the preliminary recommendations of an internal performance review of the Convention Facilities Department. The improvements are designed to not only operate the expanded facility, but also to improve customer service delivery with added professional staff positions focusing on dedicated event coordination, quality assurance and increased management oversight. Also included as an improvement is an additional \$151,972 in first year costs to replace the contractual security service personnel working in the Convention Center with a cadre of City employees trained as security guards and guest services representatives. Additionally \$100,000 is set aside as a one-time improvement to develop a marketing package and an official logo for the Convention Center. The Adopted Budget also eliminates seven vacant positions for a total savings of \$161,208.

With respect to the Convention & Visitors Bureau, the Adopted Budget includes \$1.20 million in improvements. Primary among the improvements is a \$500,000 increase to the Bureau's advertising budget for FY 2002 - from \$5.1 million in FY 2001 to \$5.6 million in FY 2002. This represents a 9.8% increase in the advertising budget. Included among the improvements is \$150,000 to fund an additional Department System Specialist to manage, update and enhance the Bureau's interactive marketing Internet website as well as support the development of digital marketing tools such as virtual tours of the City's available convention facilities. Also, \$250,000 will be added as a one-time improvement to the FY 2002 contribution to the Sports Foundation to assist the foundation in preparing the bid material for the Pan Am Games bringing the total contribution to the Sports Foundation to \$400,000 next year. These additional funds will be drawn from the Hotel Motel Fund's reserve that has been set aside to support the conduct of the Pam Am Games. Another improvement includes \$100,000 in additional resources to provide research activities and expanded marketing efforts in Mexico. Additionally, the Adopted Budget contains \$142,225 in mandated expenditures covering meeting hosting obligations. Also contained within the Adopted Budget is \$263,733 in expenditure reductions to include the elimination of three vacant positions and reductions in equipment rental, printing and travel related expenses.

With respect to the International Affairs Department, the Adopted Budget adds \$38,335 in improvements. Specifically, these improvements include \$10,000 to support a Model United Nations program that will allow high school students from city-wide independent school districts the opportunity to research, write and speak on international issues. With the improvement, this multi-day event is anticipated to grow to include participants from throughout the San Antonio region, south Texas and to increase participation from Mexico.

## **ALAMODOME OPERATING FUND**

The Adopted Budget for the Alamodome Fund is **\$9.81 million**. The Alamodome will operate with revenues in excess of expenditures for the ninth straight year. The primary sources of revenue from operation of the Alamodome are facility rentals, food and beverage concessions, reimbursable expenses and various event-related fees. Total Alamodome rental and facility fee revenue in FY 2001 is estimated at \$10.1 million. This amount will be 6.5%, or \$619,998, higher than the \$9.477 million budget. The increase in revenue can be attributed in large part to the advance of the San Antonio Spurs into the third round of the playoffs. The revenue projection for FY 2001 assumed four playoff games, while the Spurs actually had seven home games. For FY 2002, the \$8.76 million revenue projection assumes four Spurs playoff games.

The Alamodome's operations rely upon temporary, or alternative workforce, employees to serve as ushers and ticket handlers on an as-needed basis to assist with Spurs game, concerts, football games and other similar events. In order to bring those alternative workforce employees to the new living wage of \$8.50, \$253,367 is set aside in the FY 2002 Adopted Budget within the Alamodome Fund. The Adopted Budget for the Alamodome Fund also reflects \$264,675 in reductions resulting from the elimination of two vacant positions, keeping vacant three vacant positions throughout FY 2002, and reducing contractual services expenditures

## **AVIATION FUND**

The Adopted Budget for the Aviation Fund is **\$42.97 million**. In FY 2002, the fund will continue to maintain a three month operational reserve of \$5.84 million.

The Adopted Budget includes an improvement of \$200,000 which provides funds for marketing assistance to airlines operating out of the International Airport to attract passengers for routes to targeted destinations. The Adopted Budget will also eliminate a filled Services & Supplies Superintendent position with cost savings of \$46,881. Efficiencies created by automation measures and a reorganization of the Airport's warehouse section make the position no longer necessary.

## **GOLF FUND**

The FY 2002 Adopted Budget for the Golf Fund is **\$7.3 million**. The fund continues to reflect more cost-efficient performance as a consequence of implementing recommendations from the Golf Operations Performance Review in the previous fiscal year. Included in the Adopted Budget is a reduction in the amount \$207,668 in temporary employee expenditures.

The Adopted Budget also includes \$114,152 in additional revenues for FY 2002 from increasing all golf greens fees per round and golf cart rental fees by 25 cents, and by establishing weekend greens fees rates to be effective on Fridays at the Cedar Creek course in addition to Saturdays and Sundays.

The fund will continue to promote and expand initiatives such as the Junior Golf Program, utilize recycled water for irrigation, and promote the City's golf courses to the hotel and convention industry.

## **PARKING FACILITIES FUND**

The FY 2002 Adopted Budget of the Parking Facilities Fund is **\$9.58 million**. The fund continues to maintain its financial stability, and projects total revenues to exceed \$9.6 million. To provide for increased cost efficiencies, the Adopted Budget includes \$277,864 in reductions that eliminate one vacant position, keeps vacant ten existing positions, and reduces temporary services and overtime budgets in FY 2002.

## **SELF INSURANCE - EMPLOYEE BENEFITS FUND**

The FY 2002 Adopted Budget for the Self-Insurance Employee Benefits Fund is **\$57.3 million**. The City has long maintained as a significant employment benefit a health insurance program for employees and their dependents that is provided at no cost to the employee (standard CitiMed plan). However, as described in the City's Five-Year Financial Forecast, the City's continued ability to maintain this benefit has been threatened by significantly rising medical costs which have increased in recent years well above the normal rate of inflation. Continued maintenance of the current level of employee health benefit coverage in the future presents the greatest financial challenge among the three programs. The reasons include:

- Enrollment in the CitiMed basic program has increased by 15% over FY 2000. This increase stems from the transition of employees from HMO programs which have dropped their relationship with the City over the years (from three HMO's in FY 1999 to one in FY 2001) as well as dramatically increased employee HMO premium costs
- Increase in medical and prescription claims volume – 23.72% from FY 1999 to FY 2000
- Increase in the cost of prescriptions – 21.5% from FY 1999 to FY 2000
- Increase in the cost of medical claims – 16.13% from FY 1999 to FY 2000
- Increase in cost per employee enrollment – 14.4% from FY 1999 to FY 2000
- National authorities project medical costs to increase by 12% in FY 2002 with prescription costs increasing at a rate of 18%

At the end of FY 2000, the Employee Benefits Fund experienced a shortfall of \$48,755. By the end of FY 2001, the shortfall is projected to increase to over \$7.7 million as a consequence of the dramatically escalating costs described above. In response, the Financial Forecast recommended a series of assessment rate increases to be implemented over each of the next five years in order to bring the Employee Benefits Fund back into a positive fund balance at the end of that period. The percentage increase of the assessment rate against all funds included in the Adopted Budget for FY 2002 is 25% over FY 2001. This assessment increase will generate \$9.4 million in additional revenue for the fund in FY 2002.

The Employee Benefits Division is working to contain the rising costs of the program from several approaches. Current cost containment programs include:

- Prescription benefit management and discount program
  - In FY 2001, uniformed employees and retirees were added to the prescription discount program
- Preferred health care provider discounts
- Hospital bill review
- Claim review/second signature for checks over \$15,000
- Utilization review for large case management
- Coordination of benefits with other plans
- Employee wellness benefits
- Overpayment and subrogation recovery

As an additional cost containment measure, the Adopted Budget for FY 2002 includes \$100,000 for an independent analysis of the Employee Benefits Fund. Specifically, the analysis will address plan design, level of required funding and plan actuarial requirements.

## **SELF INSURANCE - WORKERS' COMPENSATION FUND**

The FY 2002 Adopted Budget for the Workers' Compensation Fund appropriation is **\$12.7 million**. Revenues collected by the fund are received through departmental assessments based upon claim loss history. The fund balance enables the City to maintain a reserve capable of supporting all of its existing estimated claims liabilities. Claims activity in this program has increased significantly over the years. From FY 1999 to those projected for FY 2002, the value of claims on an annual basis has increased by \$1.73 million, or over 23% (from \$7.273 million in FY 1999 to \$9 million in FY 2002). In order to maintain

a fund balance adequate to support future claims, departmental assessments in all funds will be increased. The FY 2002 Budget reflects a seven percent increase in assessments City-wide which generates \$604,949 in additional revenue for the fund.

## **SELF INSURANCE - LIABILITY FUND**

The FY 2002 Adopted Budget for the Self Insurance Liability Fund is **\$10.9 million**. The Liability Fund consolidates the City's liability insurance programs and collects revenues through assessments based upon a formula that considers a department's claim history, property value and budget. Within the Liability program, claims activity has also risen markedly. From FY 2000 through those projected for FY 2002, the value of liability claims is projected to increase by \$2.6 million, or over 50% (from \$5.1 million in FY 2000 to \$7.73 million in FY 2002). Based on value of claims known today, the Liability Fund balance will be negative by FY 2003 without significant adjustments to departmental assessments in all funds. In view of these projections, the FY 2002 Budget reflects a 30% increase in assessments City-wide which generates \$2.02 million in additional revenue for the fund.

## **ENVIRONMENTAL SERVICES FUND (FORMERLY SOLID WASTE FUND)**

The Adopted Budget for the Environmental Services Fund is **\$47.1 million**. The Five-Year Financial Forecast presented in June concluded that without any changes to the fund's rate structure or significant reductions in expenditures, the Environmental Services Fund could expect a shortfall of \$3.35 million in FY 2002. All programs supported by this fund have been operated without a rate increase since FY 1993 when the monthly residential collection fee was increased from \$8.99 to \$10.60. The rate remained at this level through FY 1998. In FY 1999, the monthly residential fee was divided into two components - a \$9.20 Residential Collection Fee component and a \$1.30 Environmental Fee. The combination of the new component fees - \$10.50 - resulted in a ten-cent decrease in the overall monthly fee.

The programs supported by the monthly fee structure since FY 1993 include, among others, residential waste collection and disposal, brush & bulky goods collection and disposal, curbside recycling, dead animal retrieval and disposal, and landfill closure. Of these services, the brush & bulky goods collection and disposal has seen its costs and scope expand the most dramatically since the overall monthly fee was last increased in FY 1993.

- From FY 1993 to FY 2000, brush collection expenditures have increased from \$2.45 million annually to \$7.15 million – a nearly twofold increase (or 192%). By comparison, national inflation has only increased by 19% during the same period.
- The number of brush collection cycles has increased from 1.5 to three cycles per year since FY 1993.
- The number of tons of brush collected annually has increased from 49,050 tons in FY 1995 (the first year this data was collected) to 88,278 tons in FY 2000 – an increase of 80%.
- The brush collection portion of the Environmental Services budget has increased from just 8% in FY 1993 to 19% in FY 2000.
- Within the \$10.60 total monthly solid waste fee in FY 1993, \$1.06 (10% of the rate) can be attributed to brush collection requirements. By FY 2000, within the \$10.50 fee, \$2.31 (22% of the rate) can be attributed to brush collection – a difference of \$1.25.

To address the projected shortfall in the Environmental Services Fund, the Adopted Budget will establish a new Brush Collection Fee that will recover the added cost coming from the expanded scope of the brush collection program since the overall residential fee was last increased in FY 1993. **Specifically a new Brush Collection Fee of \$1.20 per month will be assessed** in addition to the current \$9.20 monthly Residential Collection Fee and the \$1.30 monthly Environmental Fee. The total combined monthly charge will increase to \$11.70 compared to the current total combined monthly charge of \$10.50. The new fee will recover \$4.3 million in additional revenue for the Environmental Services Fund in FY 2002. This amount is equivalent to the increased brush collection costs that have been added annually to the Environmental Services Fund since FY 1993.

The chart below compares the monthly combined fee with those charged by other large cities in Texas.

#### **Texas Cities Monthly Solid Waste Rate Comparison**



To enhance the efficiency of the brush collection process, the Adopted Budget includes funding to upgrade a significant portion of the City's fleet of brush collection apparatus. Currently, the primary brush collection vehicle is a truck with a dumpster that also tows a dumpster trailer. On an annual basis, 7,000 hours of collection time are lost due to the time needed to uncouple each truck and trailer combination at the landfill in order to dispose of collected brush separately from the truck and the trailer. The Adopted Budget includes funding to replace 15 of the existing truck and trailer combinations with 20 semi-tractor/trailers. Each semi-tractor will tow a single long trailer with the same hauling capacity as the current truck and trailer combination. The semi-tractor/trailer does not need to be uncoupled from the tractor at the landfill for disposal of collected brush, thus adding 7,000 hours of collection time on an annual basis to the City's brush collection efforts. Funding reserved in the Equipment Replacement Fund to replace the 15 existing truck and trailer combinations will be used to acquire 17 of the new semi-tractors. Using the lease-purchase method, an additional three semi-tractors and 20 high capacity trailers will be acquired. The first year payment for the lease-purchase arrangement is \$93,792 in FY 2002 and is included in the Environmental Services Fund.

Steps are also being taken to encourage compliance with the City's regulations regarding illegal dumping and the improper placement of brush and bulky goods on curbs outside of normal refuse collection schedules:

- The Environmental Services Department will improve public notification of brush collection schedules. The existing flyer mailed to residents announcing upcoming brush collection cycles will be made more clear and concise. Proactive outreach will be made to neighborhood associations to solicit their assistance in notifying residents about upcoming cycles. Additionally, the department will undertake a campaign to better use television, radio and newspapers as a means of notification. The Adopted Budget includes \$75,000 as an improvement to implement these efforts.
- A ordinance will be brought forward by the department for City Council action later in August to modify Chapter 14 of the City Code that governs illegal dumping. The ordinance will include changes to make citation of violators more efficient. Specifically, current regulations require a ten-day notification time frame before a citation can be issued for improper placement of material on the curb outside of the normal brush collection schedule. Under the proposed new regulations, the required ten-day notification prior to citation issuance would be eliminated.
- Enforcement of brush collection regulations will be improved. As discussed earlier, four new Abatement Officer positions will be added to the Code Compliance Department to provide additional dedicated and directed enforcement of the City's brush and illegal dumping regulations. The Abatement Officers will augment the five existing Abatement Officer positions (four plus one supervisor) who already work in close coordination with the Environmental Services Department in enforcing the City's illegal dumping codes. With this improvement, a total of nine Abatement Officers will be focused on this issue. The cost of the additional Abatement Officers will be offset by additional revenue from fines resulting from the increased enforcement.

To improve the Environmental Services Department's cost efficiency, the Adopted Budget also eliminates four positions that have been vacant for more than one year's time for a cost savings of \$130,211. The positions impacted are one Maintenance Worker, one Solid Waste Recycling Coordinator, and two Senior Equipment Operators.

## **STORMWATER OPERATING FUND & STORMWATER REGIONAL FACILITIES FUND**

The FY 2002 Adopted Budget of the Stormwater Operating Fund is **\$16.7 million**. The primary source of revenue for the Stormwater Fund is the Stormwater Fee that is assessed each water meter within the City of San Antonio. The Adopted Budget for the Regional Facilities Fund is **\$5.2 million**. The primary source of revenue for this fund is the Regional Stormwater Detention Pond fee that is assessed against new developments for the planning and implementation of drainage improvement projects needed to accommodate the stormwater runoff resulting from new developments.

Included in the Adopted Budget for the Stormwater Operating Fund is \$255,122 to maintain 345 acres of drainage areas on Kelly AFB and 255 acres on Brooks AFB. The drainage areas on Kelly AFB are now the City's responsibility with the recent cessation of Air Force operations on the base. With respect to Brooks AFB, it is anticipated that the City will pick up the responsibility for drainage areas maintenance under the terms of the Brooks City-Base agreement with the Air Force that is currently under final negotiations. Included in the improvement are four positions funded for six months: one Equipment Operator I, one Equipment Operator II, one Maintenance Worker, and one Maintenance Crew Leader. Also included in the improvement is the acquisition of all necessary materials and equipment.

As part of Adopted Budget for the Stormwater Regional Facilities Fund, the amount of \$215,969 is set aside for drainage development services improvements required to implement the revised Unified Development Code (UDC). The revised UDC requires that the City provide guidance to developers on how their proposed developments will impact the overall projected stormwater runoff flow in a given watershed. The Adopted Budget will add eight positions to the Stormwater Engineering section of the Public Works Department (funded for six months) to meet this requirement. The added positions will include: two Engineer positions, two Engineer Associate positions, three Engineering Technician positions, and one Administrative Assistant I position.

As projected in the Financial Forecast, the Stormwater Operating Fund will continue to have fiscal challenges over the next five years. While no Stormwater Fee rate increase is recommended for the new fiscal year, it is not expected that the fund will be able to continue to operate with a positive fund balance without a rate increase in the near future.

### **FY 2002 CAPITAL BUDGET**

The FY 2002 Adopted Capital Budget totals \$319.8 million which represents a 57.8% increase from the FY 2001 Adopted Capital Budget of \$202.7 million. The overall increase can be attributed largely to the terminal renovations at the International Airport and to the initiation in FY 2002 of more construction projects authorized by the 1999 General Obligation Bond Program.

The Adopted Six-Year Capital Budget for the years FY 2002 through FY 2007 totals \$713.9 million which represents an \$99.6 million, or 16.2%, increase over the \$614.3 million Six Year Capital Budget reflected in FY 2001. Included in the Six-Year Capital Budget is \$312.9 million in air transportation program projects at the International Airport and Stinson Municipal Airport. The new Six-Year Capital Budget also fully reflects the addition of \$67.5 million of Park Development and Expansion projects.

### **FY 2002 CITY EMPLOYEE PERSPECTIVE**

The City recognizes the dedication and commitment to public service exhibited daily by City employees. Among our most valuable assets, City employees are responsible for delivery of critical services to over a million citizens each day and eight million visitors each year. The City Council Goals and Objectives Worksession in June addressed City workforce compensation issues as a priority. As a result, providing an enhanced compensation package has been an important objective for inclusion in the FY 2002 Adopted Budget.

In developing a compensation package proposal for FY 2002, many factors were considered including the prevailing market wages in San Antonio and other municipalities. The challenge today will be to ensure salaries and benefits are competitive with the local market in order to attract and retain quality employees. City staff periodically surveys the market to benchmark the City's salaries against those of other municipalities and the private sector.

The Adopted Budget includes funding to increase the salaries of all employees currently making less than \$8.50 per hour. This improvement expands the policy initiated in the FY 2001 Adopted Budget to provide a "living wage" for all full-time and part-time employees by including the "living wage" adjustment for employees in the "temporary" classification at an added cost to the General Fund of \$430,600. In February of each year the Federal Government releases an official income level for poverty. The 2001 Federal Poverty Guidelines for the 48 Contiguous states and the District of Columbia indicates that for a family of four, the approximate "living wage" hourly income guideline is \$8.49 per hour. By establishing the \$8.50 per hour minimum effective October 1, 2001, the City will maintain its commitment to a living wage standard.

In order to address the wage compression which will occur by bringing all employees to at least the \$8.50 per hour wage rate, the Adopted Budget includes a market salary adjustment to be implemented as follows: All non-executive civilians will receive a 3% increase (or move to the new \$8.50 living wage, whichever is greater of the two), and members of the City's Executive Team will receive a two percent salary increase. The Adopted Budget includes \$6.4 million in all funds (\$4.0 million in the General Fund) to implement the market adjustment and living wage.

Performance pay for outstanding full-time and part-time eligible employees who excel in their respective job responsibilities is continued in the FY 2002 Adopted Budget. The Adopted Budget includes \$2.3 million in the General Fund and \$1.4 million in other funds for this program. The one-time award will be distributed to eligible employees in April 2002.

To address existing contractually obligated pay increases for uniformed Police Officers, the Police Department budget includes \$5.9 million for the fourth year and final pay increase increment of the current San Antonio Police Officers Association Collective Bargaining Agreement. The contract mandates a three percent wage increase for all Police Officers plus step increases for Patrol Officers, Detectives, Sergeant, Lieutenants and Captains effective October 1, 2001. In addition to the three percent wage across-the-board increase, the added funding supports a Collective Bargaining Agreement requirement that additional salary range steps be established for two Police ranks – Police Officer and Detective - effective January 1, 2002. A fourth salary range step (Step E) will be created for Police Officers with at least 15 years seniority in rank and 60 college hours or 20 years seniority in rank. The new Step E salary is two percent higher than (Step D) for Officers. A third salary range step (Step C) will be created for Detectives with at least ten years seniority in rank and 60 college hours or 15 years seniority in rank. The new Step C salary is three percent higher than Step B for Detectives.

The current collective bargaining agreement with the San Antonio Professional Firefighters Association (SAPFFA) expires on September 30, 2001. A new contract with SAPFFA is currently being negotiated. The terms of the current agreement will remain in effect until a new agreement is executed.

The Adopted Budget also sets aside \$823,090 in mandated expenditures for increased compensation arising from increased tenure for longevity pay, education pay, Emergency Medical Technician pay (Fire-only), and Paramedic Certification pay (Fire-only) arising from requirements of the terms of the current collective bargaining agreements with the police and fire associations.

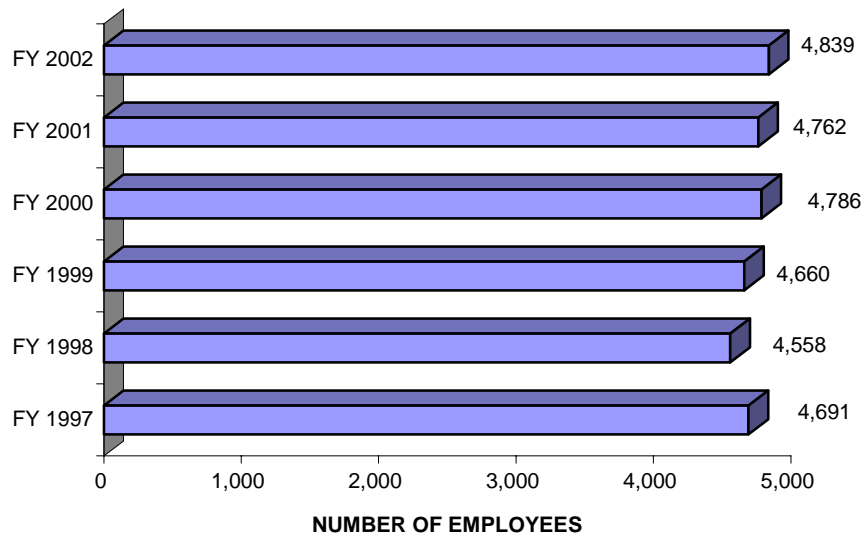
Under new legislation passed earlier this year, effective January 1, 2002, civilian employees will be able to vest into the Texas Municipal Retirement System (TMRS) after five years of service instead of the current requirement of ten years.

The following charts show the number of uniform and civilian positions authorized in the General Fund over the last six years. The charts provide a summary of the net result in positions after program reductions, mandates, program improvements, and reorganizations. On the civilian side, there is a net increase of **77** civilian positions from FY 2001 to FY 2002. On the uniformed positions side, there is a net increase of **47** uniformed positions. With civilian and uniformed positions combined, there is an overall net increase of **124** positions in the General Fund.

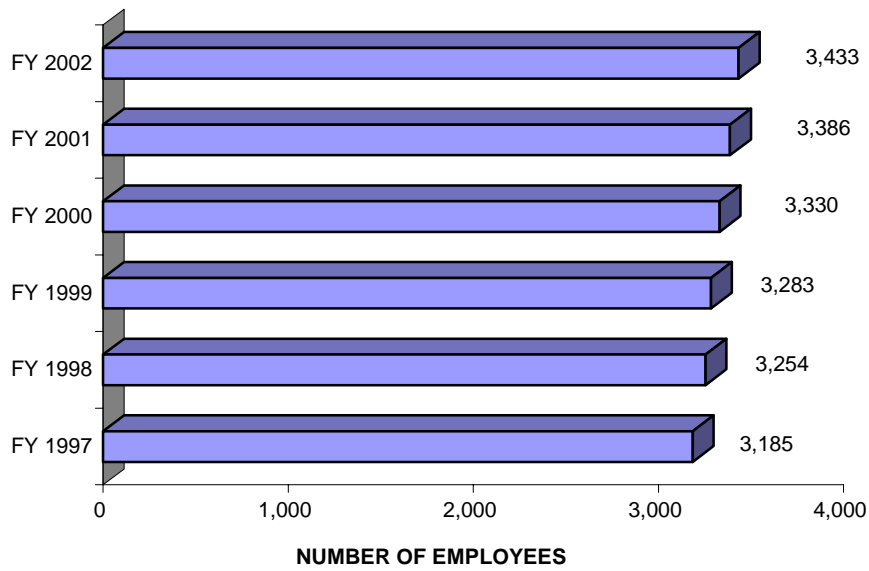
The total number of positions in FY 2002 for all funds including grants will grow by 2,146 positions to 14,243. Of that total, 963 positions are grant funded.



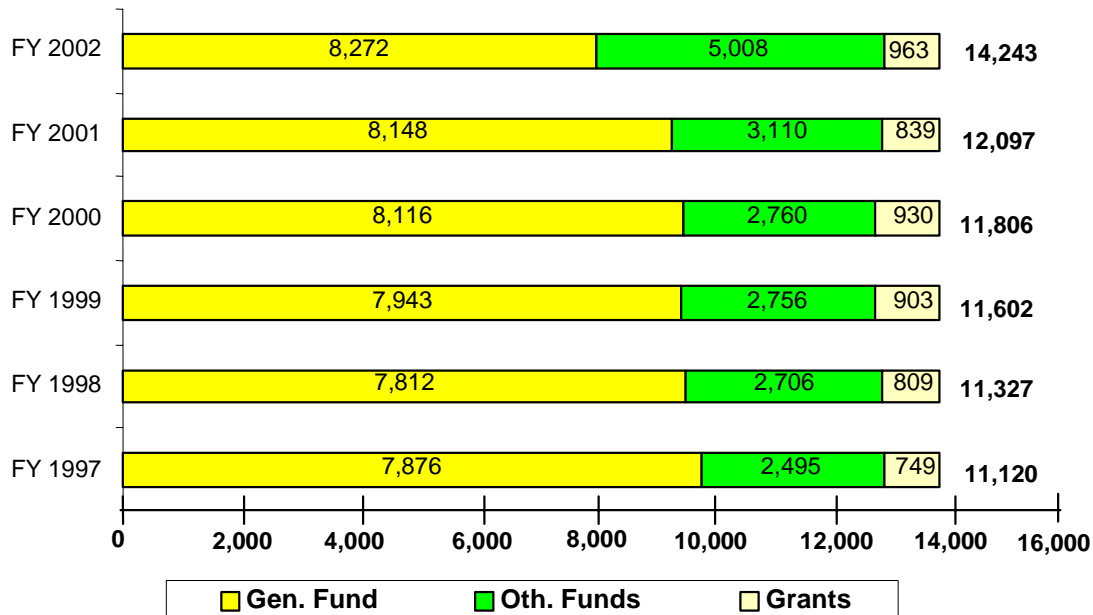
### GENERAL FUND - AUTHORIZED CIVILIAN POSITIONS



### GENERAL FUND - AUTHORIZED UNIFORM POSITIONS



### ALL FUNDS - AUTHORIZED POSITIONS



### CONCLUSION

The Adopted Budget for FY 2002 represents the staff's best professional judgment on a program of revenues and expenditures which provide for as high a level of basic services to the community as possible within the limits of available resources. To that end, the Adopted Budget was balanced utilizing available beginning balances, re-estimated FY 2002 revenues, making operational reductions, redirecting existing resources and increasing fees and charges where appropriate to provide improvements to high priority programs identified by City Council this year.

**Finally, the overall property tax rate will be lowered to 57.854 cents per \$100 valuation and will not be increased for the ninth consecutive year. The Adopted Budget includes improvements that continue to implement the Police Staffing Plan and the Fire Master Plan, while providing for a comprehensive code enforcement and brush collection system. For the first time since FY 1993, a new Brush Collection Fee of \$1.20 per month will be added to the overall monthly solid waste fee to recover the nearly twofold increase in added annual brush collection costs that has occurred over the last eight years.**